

Also, a bill (H. R. 10318) granting a pension to Nancy C. Patrick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10319) granting an increase of pension to Polly Saylor; to the Committee on Invalid Pensions.

By Mr. ROGERS of New Hampshire: A bill (H. R. 10320) granting an increase of pension to Wealthy Young; to the Committee on Invalid Pensions.

By Mr. ROUSE: A bill (H. R. 10321) granting an increase of pension to Louise C. Kimberly; to the Committee on Invalid Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 10322) granting a pension to Elizabeth Snyder; to the Committee on Invalid Pensions.

By Mr. SWOOPE: A bill (H. R. 10323) granting an increase of pension to Lovisa Buckley; to the Committee on Invalid Pensions.

By Mr. TEMPLE: A bill (H. R. 10324) granting a pension to Laura Crawford; to the Committee on Invalid Pensions.

By Mr. THOMAS of Kentucky: A bill (H. R. 10325) granting a pension to Nancy E. Dillon; to the Committee on Invalid Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 10326) granting a pension to William H. Pettit; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 10327) granting an increase of pension to Mary Gorman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10328) granting an increase of pension to Mary A. Fife; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10329) granting an increase of pension to Rose A. Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10330) granting an increase of pension to Lucy A. Farington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10331) granting an increase of pension to Hittie Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10332) granting an increase of pension to Victoria M. Dean; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10333) granting an increase of pension to Anna Crosby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10334) granting an increase of pension to Nellie M. Bunt; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 10335) granting an increase of pension to Eliza M. Vail; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10336) granting a pension to Belle Boerster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10337) granting an increase of pension to Mary Janes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10338) granting an increase of pension to Mary Brooker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10339) granting an increase of pension to Livonia Rodgers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10340) granting an increase of pension to Hester C. True; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10341) granting an increase of pension to Julia A. Wagner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10342) granting an increase of pension to Jennie Dorman; to the Committee on Invalid Pensions.

By Mr. WARD of North Carolina: A bill (H. R. 10343) to provide for an examination and survey of Belhaven Harbor, Belhaven, Beaufort County, N. C.; to the Committee on Rivers and Harbors.

By Mr. WILSON of Indiana: A bill (H. R. 10344) granting an increase of pension to Nancy A. Sumner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10345) granting an increase of pension to Sarah E. Hamilton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10346) granting an increase of pension to Margaret M. Blackard; to the Committee on Invalid Pensions.

By Mr. WOODRUM: A bill (H. R. 10347) for the relief of Robert B. Sanford; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3079. By the SPEAKER (by request): Petition of Ellis Post, No. 6, Department of Pennsylvania, Grand Army of the Republic, Germantown, Philadelphia, Pa., favoring the repealing of the law authorizing the coinage of the Stone Mountain memorial 50-cent pieces; to the Committee on Coinage, Weights, and Measures.

3080. Also (by request), petition of general board of L'Union St. Jean-Baptiste d'Amerique, protesting against the passage

of any legislation tending to establish a Federal bureau of education; to the Committee on Education.

3081. By Mr. ABERNETHY: Petition of George Henderson for the relief of persons who served in the United States Military Telegraph Corps during the Civil War, House bill No. 2719; to the Committee on Military Affairs.

3082. By Mr. CLARKE of New York: Petition of citizens of New York, opposing Senate bill 3218, to secure Sunday as a day of rest for the District of Columbia; to the Committee on the District of Columbia.

3083. By Mr. CULLEN: Petition of employees of the Brooklyn Postal Service of Brooklyn, N. Y., urging the enactment into law of Senate bill 1898, increasing the salaries of postal employees; to the Committee on the Post Office and Post Roads.

3084. By Mr. GALLIVAN: Petition of National Association of Real Estate Boards, Chicago, Ill., recommending legislation by Congress providing for scientific enlargement of the plan for the city of Washington and the extension of its parks; to the Committee on the District of Columbia.

3085. By Mr. PORTER: Petition of Army and Navy Union, United States of America, Capt. Charles V. Gridley Garrison, No. 4, Erie, Pa., favoring increased pensions being granted to war veterans and their dependents; to the Committee on Pensions.

3086. Also, petition of headquarters of Strong Vincent Post, No. 67, G. A. R., 409 State Street, Erie, Pa., favoring the passage of House bill 5934; to the Committee on Pensions.

3087. By Mr. SEGER: Petition of board of commissioners of the city of Passaic, N. J., for the passage of Senate bill 1898, increasing the salaries of postal employees; to the Committee on the Post Office and Post Roads.

3088. Also, petition of board of aldermen of Paterson, N. J., for the passage of Senate bill 1898, increasing the salaries of postal employees; to the Committee on the Post Office and Post Roads.

3089. Also, petition of John A. Gilson and 55 residents of Paterson, N. J., for the passage of Senate bill 1898, increasing the salaries of postal employees; to the Committee on the Post Office and Post Roads.

3090. Also, petition of H. Fronkes, of Passaic, N. J., and 80 residents of Passaic, Paterson, and vicinity, for the passage of Senate bill 1898 increasing salaries of postal employees; to the Committee on the Post Office and Post Roads.

3091. By Mr. SINNOTT: Petition of protest of residents of Bend, Oreg., against passage of Senate bill 3218, compulsory Sunday observance bill; to the Committee on the Judiciary.

3092. By Mr. TEMPLE: Petition of Wm. F. Templeton Post, No. 120, G. A. R., Washington, Pa., asking the repeal of the law authorizing the Director of the Mint to coin 50-cent pieces for the Stone Mountain Confederate Monumental Association; to the Committee on Banking and Currency.

3093. Also, petition of Strong Vincent Post, No. 27, G. A. R., Erie, Pa., in support of increase of rate of pension to veterans of the Civil and Indian wars and their widows, also in support of House bill 5934; to the Committee on Invalid Pensions.

SENATE

FRIDAY, December 5, 1924

(Legislative day of Wednesday, December 3, 1924)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the roll. The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	Kendrick	Shipstead
Ball	Fess	Keyes	Shortridge
Bayard	Fletcher	Ladd	Simmons
Borah	Frazier	McKellar	Smith
Brookhart	George	McKinley	Smoot
Bruce	Gerry	McLean	Spencer
Bursum	Glass	McNary	Stanfield
Butler	Gooding	Means	Stanley
Caraway	Greene	Metcalf	Sterling
Copeland	Hale	Neely	Swanson
Couzens	Harreld	Norris	Underwood
Cummins	Harris	Oddie	Wadsworth
Curtis	Harrison	Overman	Walsh, Mass.
Dial	Heflin	Pittman	Walsh, Mont.
Dill	Howell	Ralston	Watson
Edge	Johnson, Minn.	Reed, Pa.	Willis
Fernald	Jones, Wash.	Sheppard	

Mr. HARRISON. My colleague [Mr. STEPHENS] is absent on account of sickness.

Mr. FLETCHER. My colleague [Mr. TRAMMELL] is necessarily absent. I will let this announcement stand for the day.

Mr. GERRY. I wish to announce that the junior Senator from Texas [Mr. MAYFIELD] is detained on official business.

The PRESIDENT pro tempore. Sixty-seven Senators have answered to their names. There is a quorum present.

REPORT OF THE SECRETARY OF THE TREASURY

The PRESIDENT pro tempore laid before the Senate the annual report of the Secretary of the Treasury, transmitted, pursuant to law, on the state of the finances for the fiscal year ended June 30, 1924, which was referred to the Committee on Finance.

REPORT OF THE ATTORNEY GENERAL

The PRESIDENT pro tempore laid before the Senate a communication from the Attorney General of the United States, transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1924, which was referred to the Committee on the Judiciary.

INTERIOR DEPARTMENT REPORTS

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement showing in detail travel performed on official business for the department from Washington to points outside the District of Columbia during the fiscal year ended June 30, 1924, which was referred to the Committee on Appropriations.

He also laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, an itemized statement of expenditures made by the Interior Department and charged to the appropriation "Contingent expenses, Department of the Interior, 1924," for the fiscal year ended June 30, 1924, which was referred to the Committee on Appropriations.

He also laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a detailed statement embodying the aggregate number of various publications issued during the fiscal year 1924, the cost of paper used for such publications, the cost of printing, the cost of preparation of copy, and the number distributed, which was referred to the Committee on Printing.

He also laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a detailed statement embodying the number of documents received and distributed during the fiscal year 1924, which was referred to the Committee on Printing.

REPORT OF THE INTERSTATE COMMERCE COMMISSION

The PRESIDENT pro tempore laid before the Senate a communication from the chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the Thirty-eighth Annual Report of the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

REPORT OF THE DIRECTOR, UNITED STATES VETERANS' BUREAU

The PRESIDENT pro tempore laid before the Senate a communication from the Director of the United States Veterans' Bureau, transmitting, pursuant to law, the annual report of the activities of the United States Veterans' Bureau for the fiscal year ended June 30, 1924, which was referred to the Committee on Finance.

THE FEDERAL TRADE COMMISSION

The PRESIDENT pro tempore laid before the Senate a communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the commission for the fiscal year ended June 30, 1924, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a communication from Nelson B. Gaskill, commissioner, Federal Trade Commission, transmitting an individual report and recommendation with reference to possible improvements in the functioning of the Federal Trade Commission, which was referred to the Committee on Interstate Commerce.

CREDENTIALS

The PRESIDENT pro tempore laid before the Senate a certificate of Ephraim F. Morgan, Governor of the State of West Virginia, certifying that at the general election held on the 4th day of November, 1924 (as shown by certificates filed in his office, returned by the boards of canvassers from every county in the State), Guy D. Goff was chosen by the qualified voters of the State of West Virginia a Senator from that State for the term of six years beginning on the 4th day of March, 1925, which was ordered to be placed on the files of the Senate.

He also laid before the Senate a certificate of the Governor of New Jersey, certifying to the election of WALTER E. EDGE

as a Senator from the State of New Jersey for the term of six years beginning March 4, 1925, which was read and ordered to be filed, as follows:

STATE OF NEW JERSEY.

I, George S. Silzer, Governor of the State of New Jersey, do hereby certify, that at an election held in the said State, on the 4th day of November, 1924, WALTER E. EDGE was duly chosen and elected by the people of the said State of New Jersey to be a Member of the United States Senate for the term of six years beginning on the 4th day of March, 1925.

In testimony whereof, I have hereunto set my hand and caused the great seal of the State of New Jersey to be hereunto affixed, at Trenton, this 2d day of December, in the year of our Lord nineteen hundred and twenty-four, and of the Independence of the United States the one hundred and forty-ninth.

[SEAL.]

GEO. S. SILZER.

By the Governor:

THOS. F. MARTIN, *Secretary of State.*

The PRESIDENT pro tempore also laid before the Senate a certificate of the board of State canvassers of Michigan certifying to the election of JAMES COUZENS as a Senator from that State for the term ending March 4, 1931, which was read and ordered to be filed, as follows:

CERTIFICATE OF ELECTION

STATE OF MICHIGAN.

We, the undersigned State canvassers, from an examination of the election returns received by the secretary of state, determine that at the general election held on the 4th day of November, 1924, JAMES COUZENS was duly elected United States Senator for the term ending March 4, 1931.

In witness whereof we have hereto subscribed our names at Lansing this 1st day of December, 1924.

CHAS. J. DELAND,

Secretary of State,

FRANK E. GANNON,

State Treasurer,

THOMAS E. JOHNSON,

Superintendent of Public Instruction,

Board of State Canvassers.

STATE OF MICHIGAN, Department of State, ss:

I hereby certify that the foregoing copy of the certificate of determination of the board of State canvassers is a correct transcript of the original of such certificate of determination on file in this office.

In witness whereof I have hereto attached my signature and the great seal of the State at Lansing this 1st day of December, 1924.

[SEAL.]

CHAS. J. DELAND,

Secretary of State.

PETITIONS

Mr. LADD presented numerous petitions of sundry citizens of the State of North Dakota praying for the passage of the so-called postal wage bill providing increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

Mr. WILLIS presented numerous petitions of sundry citizens of the State of Ohio praying for the passage of the so-called postal wage bill providing increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

Mr. McLEAN presented petitions of sundry rural letter carriers of Columbia, Hampton, Litchfield, Springdale, Canaan, Clintonville, South Glastonbury, Bethel, Somers, Naugatuck, Greenwich, Lyme, North Stonington, Gaylordsville, Rockville, Thomaston, Plainville, Ridgefield, Williamantic, Broad Brook, New Preston, Westbrook, Madison, Terryville, New Canaan, Winsted, Watertown, and Middlebury, all in the State of Connecticut, praying for the enactment of legislation granting increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented petitions, letters, and telegrams in the nature of petitions of Local Union No. 147, Hartford Post Office Clerks of Hartford; Branch No. 1327, National Association of Letter Carriers, of Milford; Connecticut Branch, National League of District Postmasters of the United States, at Sound View; employees of the United States post office at Canaan; Russell Council, No. 65, Knights of Columbus, of New Haven; and Branch No. 192, National Association of Letter Carriers, of New Britain, all in the State of Connecticut, praying for the enactment of legislation providing increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRUCE:

A bill (S. 3565) to extend the commerce of the United States by creating the World Commerce Corporation and authorizing the establishment of foreign trade zones; to the Committee on the Judiciary.

By Mr. BORAH:

A bill (S. 3566) granting a pension to Mrs. Riley B. Cooper; to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 3567) granting a pension to William Wallace; and

A bill (S. 3568) granting an increase of pension to George Curry; to the Committee on Pensions.

By Mr. SPENCER:

A bill (S. 3569) granting a pension to Emory Wyatt (with accompanying papers); to the Committee on Pensions.

By Mr. BALL:

A bill (S. 3570) to authorize the Chief of Engineers, United States Army, to accept, as an addition to the park system of the District of Columbia, certain land donated by Mrs. Anne Archbold; to the Committee on the District of Columbia.

By Mr. WADSWORTH:

A bill (S. 3571) authorizing the transfer of real property no longer required for lighthouse purposes;

A bill (S. 3572) relating to the use of the roads leading from the bridges across the Potomac River to Arlington National Cemetery and to Fort Myer, Va.; and

A bill (S. 3573) authorizing the use for permanent construction at military posts of the proceeds from the sales of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes; to the Committee on Military Affairs.

By Mr. McNARY:

A bill (S. 3574) granting an increase of pension to Joseph H. Butterfield; to the Committee on Pensions.

By Mr. SIMMONS:

A bill (S. 3575) granting a pension to Charles A. Stockard; to the Committee on Pensions.

A bill (S. 3576) for the relief of Margarethe Murphy (with accompanying papers); to the Committee on Foreign Relations.

By Mr. COPELAND:

A bill (S. 3577) for the relief of Thomas F. Kenny; and

A bill (S. 3578) for the relief of Antti Merihelmi; to the Committee on Claims.

A bill (S. 3579) granting an increase of pension to Alice J. Hunt; and

A bill (S. 3580) granting an increase of pension to James E. O'Brien; to the Committee on Pensions.

By Mr. McKINLEY:

A bill (S. 3581) for the relief of Francis J. Young; to the Committee on Claims.

By Mr. REED of Pennsylvania (by request):

A bill (S. 3582) to amend the World War veterans' act, 1924; to the Committee on Finance.

By Mr. BORAH:

A joint resolution (S. J. Res. 151) for the relief of Mary M. Tilghman, former widow of Sergt. Frederick Coleman, deceased, United States Marine Corps; to the Committee on Naval Affairs.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. JONES of Washington submitted an amendment proposing to appropriate \$115,767.67 for payment of certain local taxes to the counties of Stevens and Ferry, in the State of Washington, on allotted Colville Indian lands, as provided by the act of June 7, 1924, which was referred to the Committee on Appropriations and ordered to be printed.

EDWIN L. McCULLOCH

Mr. CURTIS (for Mr. Moses) submitted the following resolution (S. Res. 273), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay out of the contingent fund of the Senate to Edwin L. McCulloch the sum of \$238.33 for services rendered as clerk from November 5 to 30, 1924, to Hon. RICE W. MEANS, Senator elect from the State of Colorado.

COMMITTEE ON INAUGURAL ARRANGEMENTS

Mr. CURTIS. I ask unanimous consent for the consideration of a concurrent resolution appointing a committee to ar-

range for the inauguration. Such a resolution has usually been passed by unanimous consent.

The concurrent resolution (S. Con. Res. 23) was read, considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President elect of the United States on the 4th of March next.

MUSCLE SHOALS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 518) to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; steam power plant to be located and constructed at or near Lock and Dam No. 17 on the Black Warrior River, Ala., with right of way and transmission line to nitrate plant No. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

Mr. McNARY. Mr. President, I desire to offer an amendment to the amendment to be proposed by the Senator from Alabama [Mr. UNDERWOOD], which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the amendment will be printed and lie on the table.

Mr. UNDERWOOD. Will the Senator allow his amendment to be read for the information of the Senate?

Mr. McNARY. Certainly.

The PRESIDENT pro tempore. The proposed amendment to the amendment of the Senator from Alabama will be read.

The READING CLERK. After the word "contract," in line 25, page 4, add:

The lease, in so far as relating to Dam No. 2, its power house, machinery and equipment, the steam plant at Sheffield, and all lands in connection therewith, shall be made subject to and in accordance with the provisions of the Federal water power act.

In line 1, page 5, for "said property," substitute "all property leased."

Mr. McKELLAR. I offer an amendment to the amendment of the Senator from Alabama, which I send to the desk and I ask that the Clerk may read it for the information of the Senate.

The PRESIDENT pro tempore. Without objection, the Clerk will read the proposed amendment to the amendment.

The READING CLERK. On page 4, at the end of line 19, strike out the period, insert a semicolon, and the following proviso:

Provided, That said lease shall only be made to an American citizen, or citizens, or to an American owned, officered, and controlled corporation; and, if leased, in the event at any time the ownership in fact or the control of such corporation should directly or indirectly come into the hands of an alien, or aliens, or into the hands of an alien owned or controlled corporation or organization, the said lease shall at once terminate and the properties be restored to the United States; the Attorney General of the United States is given full power and authority and it is hereby made his duty to proceed at once in the courts for the cancellation of said lease in the event said properties are found to be alien owned or controlled and are not voluntarily restored.

The PRESIDENT pro tempore. The proposed amendment to the amendment of the Senator from Alabama [Mr. UNDERWOOD] will be printed and lie on the table.

Mr. HARRISON. Mr. President, I shall occupy the attention of the Senate but a short time. In the beginning, as one member of the Committee on Agriculture and Forestry I want to express my personal appreciation and, I am sure, the appreciation of every Senator who comes from my section, of the work of the chairman of that committee in dealing with the Muscle Shoals question. In my 14 years' experience in Washington I have never seen any public official work harder and study the question involved more zealously than did the senior Senator from Nebraska [Mr. NORRIS]. I do not believe there is any other member of the committee who attended the hearings more regularly or who gave the question that high degree of study that he has given it.

I know the conclusions he has formed are most sincere and that his bill represents what he thinks would benefit the country most. I differ with him in the conclusions he has reached. I think the bill he has proposed, the measure he is championing, is a power proposition and that it negatives the intention of the original act that located the sites for the construction of the dams and upon which the erection of the plants at Muscle Shoals was made. I enjoyed his speech yesterday. It was wholesome and eloquent.

Mr. President, the question now comes up for consideration in this very short session of Congress. This Congress expires on the 4th day of March next. I do not speak by the cards, but we all know that in all probability there will be no extra session of Congress. The country knows and men who are close to those who control the affairs of the Government to-day know that the administration would feel better if Congress should adjourn on March 4 and not meet again soon. I do not look for any session of Congress after this one closes until December, 1925. If, during the six weeks remaining, nothing is done dealing with this very important question which has been before Congress for eight years, we may look for at least a year or a year and a half further delay in the Government fixing a settled policy touching Muscle Shoals.

Let me refresh the minds of Senators by stating that it was in May, 1916, when the national defense act was passed authorizing the location of the nitrate plants at Muscle Shoals. Indeed, they were not located at that particular time, but were located at a later date. Let me further refresh the minds of Senators by calling attention to the fact that the construction of Dam No. 2 began in February, 1918, and after six years it is not yet completed. The direction to locate these plants, especially plant No. 1, by the President, was at the request of the farmers of the country. They were the greatest influence in having these plants located at Muscle Shoals.

It will not be forgotten that it was on May 30, 1921, when work was begun on Dam No. 2. Because of a lack of funds, resulting from the failure of Congress to make the appropriations for the purpose, for approximately two years nothing was done toward carrying on the construction of that dam. It will not be forgotten—and I called the attention of the Senate on yesterday to the fact—that Mr. Glasgow in 1919 was placed in charge as the nitrate director of that work. After a long experience he reported to the President that he had tried in every imaginable way to interest private capital to lease those nitrate plants upon inviting and reasonable conditions, but that he had failed to do so. It was then that he recommended that the Government should go ahead with the organization of a corporation to carry on the development. It was upon that recommendation, back in 1920, that Mr. KAHN, of the House of Representatives, chairman of the Committee on Military Affairs, and the Senator from New York [Mr. WADSWORTH] framed the so-called Kahn-Wadsworth bill, which passed the Senate but which at that time died in the House of Representatives.

Following the failure of Congress to enact that legislation and the failure of Congress to make the appropriation of the funds to carry on the construction, and subsequent to the recommendation of a certain committee, which reported that the entire properties down there should be junked—and in one of the recommendations it was stated that those properties were worth only a few million dollars—the War Department asked for bids on the property. That was in April, 1921.

Following that closely, on July 8, 1921, Mr. Ford presented his bid. That offer is not now before the Senate, and I have no desire to go into a discussion of its provisions. I favored the acceptance of the Ford proposal, and I should favor it now if it were before the Senate. The more I have studied the question, the more I have compared Mr. Ford's bid with the other bids which were presented and considered by the Senate Committee on Agriculture, as well as the question of governmental operation, the more I am convinced that it would have been a wise course for the Government to have accepted the bid. I believe the Government would have received a return upon the expenditures which had been made and that the farmers of the country would have obtained cheap fertilizer, which latter object was one of the purposes of the original act.

It will be borne in mind that it was some months after Mr. Ford's bid was made before it was submitted to the Congress by the War Department; and it was some eight months, I believe, following the offer of Mr. Ford that a proposal was

made by the Alabama Power Co. However, be that as it may, it was three and one-half years from the time when Ford made his proposal to the time when he withdrew it. During all that time the Congress of the United States was negligent in failing to accept the bid or to do anything in carrying on the great construction work at Muscle Shoals.

Mr. WADSWORTH. Mr. President, will the Senator from Mississippi yield to me?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from New York?

Mr. HARRISON. I yield.

Mr. WADSWORTH. I am sure the Senator from Mississippi did not mean to give the impression that nothing has been done toward carrying on construction of this work during the period he has named?

Mr. HARRISON. No; I stated that for about two years the work on the dam was stopped and that nothing was being done during that time, but that at other times the work has been carried on.

Mr. WADSWORTH. It has been carried on for the last 10 years.

Mr. HARRISON. Yes; by funds appropriated by the Congress, but nothing has been done toward the fixing of any settled policy upon the part of the Government for manufacturing nitrate there, either for war purposes or for fertilizer purposes.

In the consideration of this question, it must not be forgotten that during the last 20 years \$3,054,000,000 have been expended by the farmers of the United States for fertilizer. It must not be forgotten that during those 20 years we bought from Chile \$567,000,000 worth of nitrates, and that we were willing to pay to the Chilean Government in a tax \$177,000,000 rather than to make for ourselves nitrate for fertilizer purposes in the United States. I call the attention of the Senate to that fact in order to show the very great importance of early and quick action upon the pending proposition.

Now, let me say in passing that I have here a chart which shows the effect of fertilizer upon the soil. I wish I had a large map; but as one remarkable illustration shown by this chart, while in 1880 for a certain area in the Southland, there were 699,000 bales of cotton produced, in the last 20 years, up to 1920, there has been only an increase in the production of cotton of 3 per cent. During that same period the increase in the cost of fertilizer has been 1,070 per cent. What is the reason for the small increase in the production of cotton of 3 per cent during that time? That question is answered by the very large increase of 1,070 per cent in the cost of fertilizer during the same period.

If Senators will look at the map which hangs upon the wall at the rear of the Senate Chamber, it will show to them that this is not a sectional question, that it affects no one locality alone. The very fact that Muscle Shoals is located in Alabama, near my own State of Mississippi, has nothing to do with the question. The manufacture of fertilizer contemplated by the original act will find its beneficent effect in every section of the country. I ask Senators to inspect the map which hangs upon the wall. I look into the benign countenance of my friend from Maine [Mr. FERNALD], who himself at times is a farmer. He knows the soil; he understands soil production. He knows, perhaps, more than any other man here how to take certain products from the soil, and can them and make them delightful to the palates of the people of this country. His State last year paid a bill of \$7,759,000 for fertilizers.

In the State of my friend from New Hampshire [Mr. KEYES] I find that \$857,000 was expended for fertilizers last year, although that is a very small State.

I find that the State of my friend the new Senator from Massachusetts [Mr. BUTLER] last year expended \$4,000,000 for fertilizers.

I come to the State of Connecticut, a little State of the New England group. One would not think that much money would be expended in that State for fertilizers, but I find that last year \$4,893,000 was expended in Connecticut for fertilizers.

I saw here a moment ago my friend from New Jersey [Mr. EDGE], who has taken much interest in this question. How much does New Jersey pay for fertilizers? I read here that the startling sum of \$10,742,000 was paid by the farmers of that State for fertilizers.

I see before me my friend from Delaware [Mr. BALL]—the little State of Delaware, but always so important in this Chamber. Would you think, Mr. President, that the State of Delaware last year spent \$1,222,000 for fertilizers? Would you think that the State of Pennsylvania, so ably represented

in part by my friend [Mr. REED], expended last year for fertilizers the startling sum of \$15,628,000; and that the State of New York, the Empire State, expended last year for fertilizers \$15,067,000?

I come now to a different section of the country. Would you think, Mr. President, that the State of Michigan expended last year for fertilizers \$4,872,000; that the State of Ohio, important as it is, expended \$13,206,000 for fertilizers; that the agricultural State of Indiana last year expended for fertilizers the sum of \$8,735,000; and that the State of Maryland, represented, in part, by my friend [Mr. BRUCE], expended last year \$7,610,000 for fertilizers?

Would you think that the State of North Carolina, represented by her two distinguished Senators, who have been here for a generation, and I hope will be here until doomsday, expended for fertilizers last year the enormous sum of \$48,796,000? Would you think, Mr. President, that the State represented in part by my friend from Florida [Mr. FLETCHER], who sits before me, expended last year \$10,316,000 for fertilizer, and that the State represented in part by my friend from South Carolina [Mr. SMITH] expended last year the sum of \$52,546,000 for fertilizer?

A survey of the map on the wall will show the enormously increased expenditures for fertilizers that have been made by the States in the far West and the Middle West during the last 10 or 20 years. In every instance it is shown that, while some of them may not have used much fertilizer 20 years ago, they are beginning to use more every day. In the great State of the golden West, represented in part by my eloquent friend from California [Mr. SHORTRIDGE], there was expended last year for fertilizers the sum of \$8,182,000.

Mr. President, I wish to place in the RECORD here in connection with the figures which I have mentioned testimony given to the committee by expert after expert showing that by the development of Muscle Shoals, in the transforming there of nitrate into fertilizers, we can cut the expense of the farmer for fertilizer one-half.

[From the American Farm Bureau Federation, April, 1924]

Ammonia is a chemical compound containing 83 per cent pure nitrogen. Nitrogen fertilizers are valued and sold according to the amount of ammonia (or its equivalent) that they contain.

Chilean nitrate of soda is now (April, 1924) selling at wholesale at our Atlantic ports at \$50 per ton of 2,000 pounds, which is a price of 16.1 cents per pound for nitrogen or 13.4 cents per pound for ammonia.

Sulphate of ammonia is now selling at wholesale at our Atlantic ports at \$58 per ton of 2,000 pounds, which is a price of 14.1 cents per pound for nitrogen or 11.6 cents per pound for ammonia.

The organic nitrogen materials, such as dried blood, tankage, and cottonseed meal, have such a high value in the feed market as to make their use as fertilizers practically prohibitive.

The testimony regarding the necessity of producing ammonia at 5 cents per pound for fertilizer purposes and the possibility of doing this at Muscle Shoals is as follows:

1915

"Agricultural nitrogen hunger has been a practical fact for generations, not because ample nitrogen could not be obtained but because it cost too much. * * * It may be assumed as a governing principle that a commercially successful nitrogen-fixation process must give as an end product potassium nitrate or ammonium nitrate or primary ammonium phosphate, and that the factory costs must not materially exceed 5 cents per pound of combined nitrogen figured as ammonia. (This is 6 cents per pound for nitrogen.) * * * From the point of view of a somewhat intimate acquaintance with all the nitrogen-fixation processes publicly known at this time, there is nothing in the above conclusions which should in the least discourage American technologists." (S. Peacock, chemical engineer, Philadelphia, Pa., in a paper on "Commercial nitrogen fixation" presented before the American Electrochemical Society at Atlantic City, N. J., April 23, 1915.)

1923

"It will be possible eventually to produce ammonia at Muscle Shoals at a cost of 5 cents per pound (or 6 cents per pound for nitrogen). This means that a ton of nitrate of soda would cost \$19. Sulphate of ammonia on the same basis would cost \$25." (S. Peacock, chemical engineer, Philadelphia, Pa., in letter of January 11, 1923, to Senator E. F. LADD, quoted in hearing of Gray Silver before House Committee on Agriculture, February 20, 1923.)

1924

"The actual cost of fixing nitrogen by the process we propose to use is about 6 cents down to as low as 5 cents per pound of actual nitrogen fixed." (Dr. R. F. Bacon, chemical engineer, New York City, formerly

director Mellon Institute of Industrial Research, testifying on behalf of the offer of the Alabama Power Co. and associates before House Committee on Military Affairs, January 25, 1924.)

"I say there is no difficulty in the United States in making fixed nitrogen at Muscle Shoals by a process which would produce ammonia at the prices which our friends have suggested, 5 or 6 cents perhaps (or 6 to 7 cents per pound of nitrogen), half what the present market is now." (Dr. Louis C. Jones, industrial chemist, New York City, testifying on behalf of the offer of the Alabama Power Co. and associates before House Committee on Military Affairs, January 25, 1924.)

"Ammonia up there (at Niagara Falls) is being manufactured at a cost under 7 cents per pound. The Muscle Shoals proposition at the power cost that is set up can manufacture ammonia there at 6 to 5 cents a pound (or 7 to 6 cents per pound of nitrogen). There is no doubt about it, because we are doing it and we know what we are doing. * * * (E. M. Allen, president of the Mathieson Alkali Works, testifying on behalf of the offer of the Alabama Power Co. and its associates before the House Committee on Military Affairs, January 25, 1924.)

"If electric power can be produced at Muscle Shoals for a rate of 2 mills, as statements have frequently asserted, the catalyst discovered in the Fixed Nitrogen Research Laboratory can produce ammonia at the rate of 5 cents a pound." (This is 6 cents per pound for nitrogen.) (Dr. A. T. Larson, Fixed Nitrogen Research Laboratory, Washington, D. C., in Baltimore Sun, March 16, 1924.)

Just think, Mr. President, what it would mean if the State of North Carolina could save in a year one-half of the enormous sum which is expended there for fertilizer every year! The only persons who have been fighting the policy of making fertilizer at Muscle Shoals are some men interested in industries down there who desire to grab a little power in order to promote their own selfish interests. If North Carolina should be able to get all the power that could be developed at Muscle Shoals for use in her industries in the manufacture of cotton goods or what not, it would save to the people of that Commonwealth hardly one-tenth as much as would be saved to the farmers by cutting down their fertilizer bill by one-half.

And so, Mr. President, whatever is done by this Congress, we must not forget the fact that the original act passed in 1916 had two purposes. One was for the Nation's defense; the other was to manufacture fertilizer for the farmer; and we should not forget that in passing legislation here.

Why, the Norris bill is in the very teeth of that law. It defies the very provisions of the law that we passed at that time. Let me read in part the provisions of that act. I read from section 124, which made possible the location of these plants:

The President of the United States is hereby authorized and empowered to make, or cause to be made, such investigation as in his judgment is necessary to determine the best, cheapest, and most available means for the production of nitrates and other products for munitions of war and useful in the manufacture of fertilizers and other useful products.

It goes further in the same section and says:

And is further authorized to construct, maintain, and operate, at or on any site or sites so designated, dams, locks, improvements to navigation, power houses, and other plants and equipment or other means than water power as in his judgment is the best and cheapest, necessary or convenient for the generation of electrical or other power and for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers and other useful products.

Nothing is said there about expending a lot of money belonging to the people to develop some power "for power purposes." There is nothing in this act that authorizes the development of power that power may be sold. The bill of the Senator from Nebraska only permits and limits the use of power for fertilizer purposes to 25,000 primary horsepower and 75,000 secondary horsepower. The experts say that that would not furnish enough to manufacture more than 8,000 tons of fixed nitrogen a year; and that power can only be used, as stated by the Senator from Nebraska, in nitrate plant No. 1, which is there for experimental purposes, because nitrate plant No. 2 under his proposal is to remain in statu quo until some plan is ascertained that may be cheaper than the present methods of making fertilizers.

There is an erroneous impression abroad as to the amount of power that can be developed at Muscle Shoals. That was one of the things that seeped into the minds of the people and caused opposition to the Ford proposal. The country was made to believe, under a most systematic propaganda of deception

and misrepresentation, that Muscle Shoals was susceptible of being developed into 1,000,000 or at least 500,000 primary horsepower annually, when all the experts showed—and there is a map upon the wall here that shows if you will study it—that even with the employment of the steam plant there and the employment of the Gorgas plant, which has now been sold to the Alabama Power Co., and utilizing that power to its highest efficiency, there can be developed at Muscle Shoals annually only 241,000 primary horsepower; that is, power that can be used for 12 months in the year, the power that is needed to carry on a great industry. The testimony before our committee—and, so far as I know, it is uncontradicted—is that if Mr. Ford's proposition had carried on and he had been permitted under his proposal to make 40,000 tons of fixed nitrogen, of mixed and unmixed fertilizers of every kind annually, it would have required at Muscle Shoals 257,000 primary horsepower. They did not have that much primary horsepower, even with the operation of these two steam plants and the natural development of power at the dams.

So the country has been hoodwinked with respect to that great question; but they can develop there, by the use of the Gorgas plant and the steam plant at Dam No. 2 and the other, the natural falls, 241,000 primary horsepower for 12 months in the year; and yet my friend from Nebraska in his gracious way has given to the farmers the opportunity of taking 25,000 primary horsepower and 75,000 secondary horsepower, which would mean approximately 65,000 primary horsepower in all for fertilizer purposes.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. I yield to the Senator.

Mr. NORRIS. I presume the Senator will admit that in the present state of knowledge with regard to the manufacture of fertilizer all the evidence demonstrates that even if you had 40,000,000 horsepower you would not be able to produce with it through the cyanamide process fertilizer that would be cheaper than the present commercial product.

Mr. HARRISON. I think that is true.

Mr. NORRIS. Then I should like to say to the Senator, if he will permit me, in his time—

Mr. HARRISON. First let me ask the Senator whether I did not state correctly that his bill limits the amount of power for fertilizer purposes to 25,000 primary horsepower and 75,000 secondary horsepower?

Mr. NORRIS. Oh, yes. The bill goes on the theory that in the present state of knowledge of the fertilizer question nobody knows how to make fertilizer, no matter how much power they may have to use, under the systems we now know about in such a way as to cheapen the product. Admitting that to be true—as much as I hate to admit it, because I am interested, as the Senator is interested, in the fertilizer question, and I agree with him that it is the most important question of any—but, recognizing what we believe to be the truth, we want to provide for a decrease in the cost of manufacture of fertilizer. We have set aside that much power to do it because the scientific men with whom we came in contact have themselves said that that is all they can use. If it can be shown that fertilizer can be made more cheaply than it now is made, so as to get it to the farmer at a reduced price, I am perfectly willing to dedicate to that purpose not only Dam No. 2 and Dam No. 3 but all the other dams, all the storage dams, and everything else provided in the bill, and put them all into fertilizer. I should be glad to do it, but when we have more power than can be used by the specialists in investigating the subject and trying to reduce the cost of fertilizer we do not see why we should take a lot of power that otherwise might do lots of good and use it for a useless purpose.

If 25,000 horsepower is not enough, for God's sake let us have more. The men who know better than I and, I think, better than the Senator from Mississippi, have said to me that 25,000 horsepower is all they can use. I will say again to the Senator, as I said yesterday, that this limitation was put in the bill—it was not in the bill as I introduced it—to satisfy men on the committee who, taking a business view of the situation, said, "If we do not limit it and somebody else is using the power or somebody else has leased the nitrate plant who might be interested in the power proposition, he can demand all the power there is, although he has no use for it, and thus accomplish no good and keep it out of the commercial market."

I admit that power is a secondary proposition. I am glad to concede that fertilizer is the prime thing; and I should welcome an amendment to take away all that limitation

if, at the same time, you will take out of the bill the power of the Secretary of Agriculture to lease any of the plant, and let him, through his scientific men, operate it; and let it be unlimited, and give him the right to demand all of it if he wants to.

Mr. HARRISON. I had understood that to be the Senator's view.

Mr. NORRIS. There is another thing I should like to say. Through the kindness of the Senator I am permitted to make these suggestions.

The Senator has not yet said whether or not he favors the so-called Underwood substitute; but I want to call his attention to this fact: If through future investigation power becomes a necessity in the cheapening of fertilizer, then it will be necessary, I think, in order to cheapen that item as much as possible, to go ahead with the development of the Tennessee River and its tributaries and develop it as a system so as to produce, even at the dam we have now, more primary power, and thus cheapen its cost. In other words, the Senator has stated with practical accuracy the amount of power that can be developed at Dam No. 2. If the committee bill is followed out, instead of developing 100,000 horsepower there—

Mr. HARRISON. That was Dam No. 2 and Dam No. 3.

Mr. NORRIS. All right. If the committee bill is carried out and the river is completely utilized in a scientific way for the development of power, we will increase the primary power of Dam No. 2 and Dam No. 3 from 130,000 or 140,000 horsepower to over 600,000 horsepower without any question, and thus at one swoop we have not only multiplied the amount of primary power by six, but we have divided its cost by nearly the same figure.

Mr. HARRISON. I agree with the Senator. The fact that they have a great superpower system is not repugnant to me. Indeed, it is attractive, because I can very readily see that where they have systems working together, relaying and transmitting and swapping and trading their power, and producing power here and giving it over there to another system when it has no power, it can work economy and be very helpful. I should like to see the whole Tennessee River developed as the Senator would have it developed, and I should like to see a great superpower system established under strict regulations as to rates. I am not at odds with the Senator on that point, and I knew what the Senator's views were with respect to this power proposition. He has not controverted anything I have said. I say that the original act intended that this power should be developed for the Nation's defense and to manufacture nitrates for fertilizer purposes.

Mr. NORRIS. The Senator would not use power to manufacture nitrates, knowing in advance that he was not going to cheapen the fertilizer product, and that he would have on his hands nitrates that would be of no value to anybody, would he?

Mr. HARRISON. The Senator makes that statement, and yet he knows as well or better than any other Senator here that there was not simply one bid but there were several bids that offered to undertake this work, notably the Ford offer that said, "I will do it. I will manufacture mixed and unmixed fertilizer with a content of 40,000 tons of fixed nitrates annually, equivalent to 2,500,000 tons of ordinary fertilizer in this country"; and he said, "In order to do it I will back it up by signing my name and guaranteeing it with the Ford estate." Of course, I know that there was some difference of opinion about that, but that is what was offered; and the Alabama Power Co. made certain proposals, and if what the Senator said is true, why did they do that?

Mr. NORRIS. I do not question the Senator's sincerity in any respect.

Mr. HARRISON. I know that.

Mr. NORRIS. Of course, the Senator knows that I do not agree with his conclusion and do not agree with the proposition that Mr. Ford made any such offer. I do not want to discuss that or be led into a discussion of it now, because, as the Senator said, it is out of this question. The same proposition, however, was made by other bidders, whom the Senator has not mentioned, notably the Hooker people, who were going to make a concentrated fertilizer—a very attractive proposition.

Mr. HARRISON. That is the Union Carbide.

Mr. NORRIS. Yes; the Union Carbide Co., who have, with our scientists, been working for years. They say they have not succeeded in getting it as a practical proposition. I believe they will eventually, and when they do get a concentrated fertilizer they will cut the cost in two, because they will have taken out all of the worthless material and reduced the freight, which, after all, is one of the greatest items now in the cost of fertilizer that the farmer has to buy, because it means every year the payment of freight on a lot of stuff that does no good.

Mr. HARRISON. I do not understand the Senator to say that in the Ford proposal Mr. Ford did not agree to manufacture fertilizers of every kind, with a fixed nitrogen content of 40,000 tons annually?

Mr. NORRIS. The Senator and I could not reach any conclusion now in a discussion of the Ford proposition that would do us or the Senate or the country any good. I do not agree with any of that proposition. I do not believe Mr. Ford agreed to do anything of the kind.

Mr. HARRISON. Yesterday the Senator from New York [Mr. WADSWORTH] stated it was not in the Ford offer; and it ought to be cleared up.

Mr. NORRIS. If the Senator from New York had gone into it, he would have found that the particular offer quoted in the Underwood proposition came from the corporation Mr. Ford was to form. Mr. Ford has distinctly said that he would not make fertilizer if he could not make it at a profit. I say that without any disrespect for him. I do not blame him for it. Nobody can be expected to do it.

I only want to have the Senator meet me on this proposition, that at the present time nobody knows enough about the proposition to say to us that he can make fertilizer and cheapen the product principally through the cyanamide process, the only system we have known down there that will produce 40,000 tons of nitrogen a year. We have to develop something else, and I would like to have the Senator take up the Underwood substitute, which I suppose he is supporting, and point out just where that provides for negotiation, experiment, and development so as to improve the article.

Mr. HARRISON. I shall take it up.

Mr. NORRIS. I should like to have him compare that with the provisions in the Senate committee bill.

Mr. HARRISON. I will take up these other proposals also, before I have finished, and dissect them as best I can. But I want to clear up one point that has mystified the mind of my friend from New York, and which my friend the Senator from Nebraska still asserts, namely, that Ford made no such proposal and that only the corporation was to sign the proposal. I am going to read, merely for the Record's sake, from the proposal. The Ford proposition is out of it. I gave my support to that offer, and I gave it on this theory, that it meant cheaper fertilizers. If I had not been convinced of that, I would not have supported it. Here is what his contract or proposal states: I read from it—

Since the manufacture, sale, and distribution of commercial fertilizers to farmers and other users thereof constitutes one of the principal considerations of this offer, the company expressly agrees that, continuously throughout the lease period, except as it may be prevented by reconstruction of the plant itself, or by war, strikes, accidents, fires, or other causes beyond its control, it will manufacture nitrogen and other commercial fertilizers, mixed or unmixed, and with or without filler, according to demand, at nitrate plant No. 2 or its equivalent, at such other plant or plants adjacent and near thereto as it may construct, using the most economical source of power available. The annual production of these fertilizers shall have a nitrogen content of at least 40,000 tons of fixed nitrogen, which is the present annual capacity of nitrate plant No. 2.

That means two and one-half million tons of ordinary fertilizers. Could a bid be more explicit? What more could he add to it to make it plainer to anybody? Yet the Senator still has doubt about it; and my friend from New York may argue to the contrary, but the provision is here in cold type, and no one, I care not how ingenious he may be, can controvert the proposition.

Now I shall go further with this Ford proposition:

In order that farmers and other users of fertilizers may be supplied with fertilizers at fair prices and without excessive profits, the company agrees that the maximum net profit which it shall make in the manufacture and sale of fertilizer products shall not exceed 8 per cent of the fair actual annual cost of production thereof.

Now as to the guaranty. Mr. Ford signed the offer himself, "Henry Ford," the proposer. This is not the contract; this is the authority to the Secretary of War to enter into the contract. But Henry Ford offered a proposal. If we had accepted it, it would have been binding on him and on everything he owns, on his heirs and assigns. Indeed, here is what he says in concluding:

The above proposals are submitted for acceptance as a whole and not in part. Upon acceptance, the promises, undertakings, and obligations shall be binding upon the United States and jointly and severally upon the undersigned, his heirs, representatives, and assigns, and the company, its successors, and assigns.

Mr. NORRIS. Mr. President—

Mr. HARRISON. What more could he say? If the Senator from Massachusetts [Mr. BUTLER] should make a proposal like that and sign it that way, he knows it would bind everything that he has, every interest that is unencumbered; and the Senator from Nebraska ought to know it.

Mr. NORRIS. May I interrupt the Senator now?

Mr. HARRISON. Yes; I yield.

Mr. NORRIS. Again I say, I do not care to be led into a discussion of Henry Ford—

Mr. HARRISON. I was led into it.

Mr. NORRIS. But since the Senator has read that language, by which he says it is shown that Henry Ford has personally bound himself and his estate to carry out that offer, I think any lawyer in examining the proposition would say that he agrees to do what it is stipulated in the bid he will do, namely, that he will form a corporation with \$10,000,000 capital. That is what Henry Ford agrees to do. The corporation itself agrees to some other things. We could not get Mr. Ford before the committee in person, but it appears in the record, undisputed, that he told the Secretary of War that whenever he could not make fertilizer at a profit he would quit making fertilizer; and his bid would permit him to do it. Again let me say that shows that Henry Ford has good business judgment. It is perfectly foolish, to my mind, to think for a moment that a man of Henry Ford's business judgment would bind his estate, his heirs, everything he owns, for a hundred years to carry out a contract. He would no more think of doing such a thing than he would think of trying to fly without wings. Nobody could do such a thing. Nobody expects anyone to do such a thing. He has done no such thing. He would not be bound to produce a pound of fertilizer personally. He would have no personal obligation except to form a corporation.

Mr. HARRISON. I will let the wording of the proposal speak for itself. I had thought that a grievous error had been committed when the steering committee on the other side did not lift the Senator from Nebraska to the high position of chairman of the Judiciary Committee; but after the present exposé I think they were wise in keeping him at the head of the Committee on Agriculture and Forestry.

Mr. NORRIS. Mr. President, the Senator from Mississippi has given—

Mr. HARRISON. I withdraw that remark.

Mr. NORRIS. I do not ask the Senator to withdraw it. The Senator from Mississippi has given to the steering committee on this side an excuse for their conduct which they will very much appreciate. They have not given any before, but now they will refer to the great Senator from Mississippi, and say it is because the Senator from Nebraska did not know anything about construing a legal contract; and I am willing to abide by that.

Mr. HARRISON. Very well.

Mr. NORRIS. I am willing to stand on the record, and stand on what I have said about Ford's proposition; and I can prove my position by the testimony of Henry Ford. If he did make that kind of a proposition, then he was certainly a subject for an asylum for the insane at once. Any man who would bind his personal estate for a hundred years certainly would be insane.

Mr. HARRISON. And the Senator does not think Henry Ford is insane?

Mr. NORRIS. No; I do not think he is insane.

Mr. HARRISON. Mr. President, reading a little further in this section 44 of the original act, it shows that it was never intended that anything should be done at Muscle Shoals except to develop power for the Nation's defense and for fertilizer purposes, and I want to read this clause in that law. It reads:

The plant or plants provided for under this act shall be constructed and operated solely by the Government, and not in conjunction with any other industry or enterprise carried on by private capital.

That would prevent acceptance of the Hooker proposition, that would prevent acceptance of the Union Carbide proposition, as I shall show in a minute in the discussion of their proposal.

Now, let us see what other bids were made. Of course, before the Senate there is a choice of two lanes for us to travel. One is to take the Norris proposition, which would give to the farmers an opportunity to get some fertilizer, provided it can be made out of 25,000 primary horsepower and 75,000 secondary horsepower. The balance of the power can

be sold to anyone without let and without restriction, except as to the price they can charge to the ultimate consumer.

The Alabama Power Co., or any other power company, could buy the amount of surplus power they chose, but the Secretary of Agriculture could use only 75,000 secondary power and 25,000 primary power.

Before us, however, there are two lanes, one of which we can follow. One is, as I say, to accept the Norris proposition of Government ownership. There is not a Senator here but who has a very strong idea that the President would veto such a proposition. It is right in the teeth of the message that was read from the Secretary's desk only day before yesterday. I will read a little later what the President said on that proposition.

Mr. NORRIS. Mr. President—

Mr. HARRISON. We would get nowhere by the acceptance of the Senator's proposition. I yield.

Mr. NORRIS. Is this doctrine the Senator is now proclaiming—to which I do not give my assent at all—that before we pass anything we must ascertain whether the President wants it or not, going to actuate the Senator in his conduct in the Senate?

Mr. HARRISON. I am not "from Missouri," but since the election I am almost "from Missouri," and I have about concluded that we have to get the President's consent before anything moves respecting Muscle Shoals.

Mr. NORRIS. Then we had better have a committee wait on him, and have him tell us how to vote on this proposition.

Mr. HARRISON. I would not want to go on the committee. I am afraid it might hurt. I am not blind to this situation—

Mr. NORRIS. The President would be very glad to get the cooperation of the Senator and his valuable support.

Mr. HARRISON. I would be very glad to support him on this proposition. I might be weak in my support of him on some other propositions.

We will have to go the route I have mentioned, or we will have to take the Underwood proposition, which I shall discuss presently. In passing, however, let me say that the Underwood proposal comes on all fours with the President's recommendation. I do not know whether they compared proposals or not, but I do know that the President says, "Let it out to private enterprise, and if private enterprise will not take it, then the Government must carry on the development"; and that is exactly what the Underwood proposal is. There must be some understanding about it. Indeed, if it had not been offered by my friend from Alabama, I would say, in view of the expressions in the President's message, that it was an administration proposal; but I presume the Senator from Alabama is not as yet the spokesman of the Administration.

Let us take another proposal that was before the committee, the Alabama Power Co.'s proposal. They have been fighting. They have had a proposal pending all the time. They want this power. They have worked in circuitous ways, indirect and otherwise. They very much desire it. That is laudable. I have no fault to find with them on that score. They could develop some more power there now if they would, although they have been developing a great deal; but the Alabama Power Co. wants this plant, and under the bill of the Senator from Nebraska, if it should pass, the Alabama Power Co. in all probability would get it.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. I yield.

Mr. NORRIS. First I want to say most distinctly that the Alabama Power Co. would not get it under my bill.

Mr. HARRISON. Why not?

Mr. NORRIS. As a matter of fact, the only company on earth that can get whatever is left over under the Underwood bill is the Alabama Power Co., and that company would get it. Let me call the attention of the Senator to the fact that under the Underwood bill the Government corporation set up has not any power to build a transmission line. It can sell excess power there, but it can not take it anywhere. The only physical connection with Muscle Shoals by any of the power companies of the South is by the Alabama Power Co., and they pretty nearly have a "cinch" on getting what is left under the Underwood proposition.

Mr. HARRISON. If there is surplus power down there, the Alabama Power Co. can get it or any other power company can get it.

Mr. NORRIS. That company is the only one that can get it. They have a transmission line there now.

Mr. HARRISON. They can not get the amount under the Underwood bill as they would get it under the Norris bill.

The Underwood bill says it shall be leased, that at least 40,000 tons of fixed nitrogen after the fourth year shall be made, and that is the equivalent of 2,500,000 tons of fertilizer in the country. If the lessees get it under the Underwood proposal, they have to make that much fixed nitrogen. I take it that if the Secretary of War should enter into a contract with them he will make them put up a bond. It is provided in the Underwood bill that adequate guaranties shall be made. If the corporation should be organized as set forth in the Underwood bill, it is expressly provided that after the fourth year they must make 40,000 tons of fixed nitrogen at Muscle Shoals. So there would not be very much power left under the charge which the Senator agreed to until they had gone farther up the river and built more dams and had more power, and when that time comes then they could take care of that situation and more power would be developed and more of it would be utilized.

Now let us get to the Alabama Power Co. proposal. What was it? The first bid they made, following the Ford offer, was what? When they saw Ford might get it the first bid they made was purely a power proposition. Did they undertake to do anything with respect to making fertilizer? No. In the proposal which the Alabama Power Co. made in 1922—in February, I believe it was—they said, "We will pay for the completion of the dam; we will pay \$5,000,000 for the steam plant at nitrate plant No. 2, and we will give to whomsoever may take over nitrate plants No. 1 and No. 2, 100,000 secondary horsepower to carry on the fertilizer business." That was the gracious thing they were going to do. They were not going to make the fertilizer themselves. They were not going to take nitrate plants No. 1 and No. 2, but they were going to get the whole thing for power purposes and graciously give 100,000 secondary horsepower to somebody to operate plant No. 1 and plant No. 2, when they knew at the time that 100,000 secondary horsepower would hardly make 5,000 tons of fixed nitrogen at those two plants.

But that is not all. They came in afterwards with another bid, which is a very good bid in many respects. In 1924, when they saw there was a great chance for Ford to get it, that it was slipping out of their hands, then they made a real proposition. I would not be surprised if the amount in consideration that they offered was not larger than the Ford proposition, because it was perfectly natural that if they wanted it and were competing with Ford they would lift the amount they might offer just a wee bit in order to get favorable consideration from the American Congress. But they placed in their bid certain loopholes. They put in it certain little words, changing "and" to "or" and changing the whole proposition.

They did not agree in their bid to make 40,000 tons of fixed nitrogen of mixed and unmixed fertilizers annually. No; they did not do that, but they agreed, as I shall read, to make 50,000 tons of nitrogen—not fixed nitrogen, but either one of three kinds—ammonium phosphate, ammonium sulphate, or other concentrated nitrogenous fertilizers—as the commercial demands of the country warranted it, and the only guaranty that the Alabama Power Co. made in its last proposal was to make 50,000 tons of nitrogen; they choosing either one of the three different kinds.

I want to comment to the Senate about the three kinds that they propose to make at that time. They were to make this fertilizer in either of three forms. For instance, sulphate of ammonia could be made exclusively under their contract, and yet there is an overproduction to-day of sulphate of ammonia in this country. There would have been no benefits to the farmers of the country under that provision. I cite to the Senate the fact that last year we imported of sulphate of ammonia 3,539 tons and we exported of that particular kind of fertilizer 150,544 tons. The domestic production of sulphate of ammonia, the kind the Alabama Power Co. said they could make and which they guaranteed to make, was 619,000 tons. That was the domestic production last year. There was a consumption last year of only practically one-half that amount, or 395,000 tons.

Bear in mind, Senators, that the domestic fertilizer consumption in the United States last year was 6,647,000 tons, and that the consumption of sulphate of ammonia in the United States was just 6 per cent of that amount. What good would it have done the farmers of the country for the Alabama Power Co. to have made sulphate of ammonia and nothing else? They would have created an overproduction. It would have been sold in foreign countries and it was to be sold at a price to be fixed on the cost of production and sale. That was the proposal they made, not upon a certain profit on the "cost of production" as was contained in the Ford proposal, but on a certain percentage of the "cost of production and sale," which might have

been so expensive as to have prohibited the farmers entirely from purchasing any of it. So the Alabama Power Co.'s proposition had many features that would deceive and mislead. It was a power company proposal and that was all.

Now, let us take up the Union Carbide Co. That is the one which, as I saw in the press the other day, is favored by my friend from Illinois [Mr. McKINLEY]. It may have been that he was incorrectly quoted. What is this great institution? They have been making carbides for many years. They have industries all over the country. They are a rich and prosperous concern. That is all right. They are well able to guarantee the faithful performance of their proposal. But they proposed what in their first bid? They said, "If you will give us 50,000 horsepower, 25,000 primary and 25,000 secondary, we will make down there at nitrate plant No. 2 urea, but we will only do that with the understanding that you will give to us 50,000 horsepower additional, to be used in the other half of nitrate plant No. 2 in any wise we may see fit."

In other words, they wanted to manufacture carbide or other products there. They wanted the power there for that purpose and urea was really only incident to it. Urea, they tell us, is made after we reach the stage of cyanamide. It could be made at plant No. 2, but it has already been stated, and it is in evidence by expert after expert, that the cost of fertilizer by the cyanamide process is so high that it is useless. If we go into the manufacture of urea, and in doing so must manufacture cyanamide first, we know the cost of urea would be higher than the cost of cyanamide and it would be of not benefit to the farmers of the country. But they said, "We will make also phosphozote," but the experts say that is made from some combination of urea with cyanamide. In other words, in order to make phosphozote we would have to go in and make cyanamide first and then develop it to a higher state of urea, and that process would be so excessively costly that phosphozote would be useless to the farmers of the country. That is the Union Carbide theory.

But they made a second bid, and it is the second bid that looks pretty attractive. It is attractive as a matter of fact. They took nothing into consideration with respect to Dam No. 3, but at Dam No. 2 they propose to pay quite a good deal. I think in the aggregate \$120,000,000, but the only undertaking they offered was to manufacture urea, and they proposed that on a 10 per cent cost-plus basis, and they said that must be based on the cost of production and cost of sale. They say if it is not profitable then they may turn it back to the Government, and they will act as agents for the Government in doing that work upon the cost-plus basis. The testimony of one of the gentlemen, Mr. Morrison, who appeared before the Senate committee representing the Union Carbide Co., was that he was after power. The question of making urea was incident to getting the power at Muscle Shoals. He had no patent on the process. He only had an option on a certain patent that made urea. It would run out in a certain time, he said. Here is what this man who represented the Union Carbide Co. said before the committee:

Senator HARRISON. You state that all you had is an option on the process?

Mr. MORRISON. The option is binding.

Senator HARRISON. I understand that, but you merely have an option and you acquired that about a year ago?

Mr. MORRISON. Yes, sir.

Senator HARRISON. How long does it run?

Mr. MORRISON. I think it runs probably another year. I am not entirely definite on that.

Senator KENDRICK. As I understood you just there, you have, under an agreement, a right to use this process in the United States?

Mr. MORRISON. Absolutely. It is just like a land contract. If we take up this option within the period, they are bound to sell it to us.

Senator McNARY. I suppose you merely took an option instead of an outright purchase, because you do not want it unless you can acquire the necessary horsepower?

That was the question that touched the real spot.

Senator McNARY said:

I suppose you merely took an option instead of an outright purchase, because you do not want it unless you can acquire the necessary horsepower?

Mr. MORRISON. No. We want to secure for our use certain horsepower at Muscle Shoals, and in order to do that we have got to meet this fertilizer proposition.

That is his testimony. Senators may cite proposal after proposal, but it will be found that their authors all want the power; that the question of making fertilizer is only incident to their proposals.

Mr. WADSWORTH. Mr. President—

The PRESIDING OFFICER (Mr. SIMMONS in the chair). Does the Senator from Mississippi yield to the Senator from New York?

Mr. HARRISON. I yield.

Mr. WADSWORTH. The Senator does not mean that remark to apply to all the proposals that are before Congress, does he?

Mr. HARRISON. I am going to get to the Hooker proposal in a moment, if the Senator from New York will wait. That is an ingenious proposition; that is a smooth plan. Under it the Government puts up all the "dough" and at the end, after the preferred stock dividends shall have been paid to Mr. Hooker and his associates, the Government and Mr. Hooker are to divide on the theory of Mr. Hooker and his friends getting one-fourth and the Government getting three-fourths. Oh, Mr. Hooker has submitted a fine proposal for himself. Now Mr. Morrison further says:

Under our first offer we leave that extra power to the Government to do with it as it will. Under our second offer we take that power to do with it as we will.

Now, Mr. President, let us see about the other proposal, the one about which my friend the Senator from New York [Mr. WADSWORTH] has inquired—the Hooker-Atterbury-White proposal—wherein Mr. Hooker states in order to show good faith that they are willing to put up \$1,000,000; but he also states that, of course, they put up nothing substantially, that it is merely a partnership proposition, that is all, rather than for the Government to go there with its chemists, who receive \$2,500 a year, whom my friend the Senator from Nebraska [Mr. NORRIS] wants to put in charge to make fertilizer down there. Most of them, I presume, never had any business experience in the world and know nothing about anything, perhaps, except chemistry. I am not speaking disparagingly of them, but when experts devote themselves entirely to chemistry and study only chemistry, it seems to me that about 99 per cent of them must go crazy, because if there is any subject that is tantalizing it is chemistry. Chemists are not expected to know anything about ordinary business, and yet my friend from Nebraska would place this great laboratory research board under the charge of these cheap employees, who are all inadequately paid, and impose upon them the task of operating these great nitrate plants No. 2 and No. 1, which he himself admits is a hazardous business and is yet in its infancy—its swaddling clothes.

Now, let us see about the Hooker proposition. It is presented by Mr. Hooker, Mr. Atterbury, and Mr. White. They are excellent gentlemen; they are men of great business training; they have had large experience in chemistry, in railroad engineering, and in business of other kinds. I have no doubt from what I have heard of these gentlemen that they are men of the highest character, and that if the Government wanted to employ somebody to go down there and operate the business for the Government, and if they could be secured at a reasonable salary, they might be as good as anybody in the world; but if they should get this contract and be allowed to fix their own salaries, to be taken out of running expenses, I imagine they would fix somewhat higher salaries than probably the Government would fix if it were controlling them.

Property leased: Dams Nos. 2 and 3, nitrate plants Nos. 1 and 2, including all extension, development, and all property under control or used by the United States in connection with the Muscle Shoals project, no matter where located. (Pars. 1 and 2.)

Payments: The United States is to receive:

Let us see about that, how the Government is ever to get anything back under this proposal out of this bill:

1. All net profit derived from the manufacture of fertilizer which remains after deducting and paying to the company 8 per cent of the current sales price of all fertilizers manufactured.

That is what section 11 proposes.

2. To determine the share which the United States shall receive from the profits derived from the production of electric power the annual net earnings from the power are determined and the following deductions are made from them:

(a) An 8 per cent dividend on all outstanding preferred stock of the company.

That is without limit; these estimable gentlemen can make it as high as they want to.

(b) An amount not to exceed \$200,000 for research is taken out of the current expenditures.

(c) Sinking-fund payments sufficient, at 4 per cent compound interest, to amortize the amount expended by the United States in com-

pleting the dams subsequent to the signing of the lease, plus one-half of the amount expended on Dam No. 2 prior to the signing of the lease, but not exceeding \$15,000,000.

That is section 12.

(d) A sufficient annual payment to retire the outstanding preferred stock—

Of these very estimable gentlemen—

prior to the termination of the lease; said preferred stock, however, having no par value, and no method of valuation of said stock being provided.

Next:

(e) Payments into a second sinking fund (payable only when power sales equal or exceed 150,000 kilowatts primary power and fertilizer sales aggregate 30,000 tons of nitrogen or more) which, if paid continuously each year after the first year for 40 years, would amortize, at 4 per cent compound interest, the remainder of the original expenditure on Dam No. 2 (excluding funds expended for navigation purposes) and the steam-power plant at nitrate plant No. 2, but not to exceed \$21,000,000.

If there remain any net earnings from the power after all of these deductions have been made, then for the first 10 years two-thirds of this remainder shall be paid to the United States and one-third to the common-stock holders of the company, and after 10 years three-fourths of such a remainder, if any, shall be paid to the United States and one-quarter to the common-stock holders of the company.

This payment to the United States, however, is not a net payment, for it is subject to a still further deduction.

It does not say, "This payment to the United States and to the stockholders," but—

This payment to the United States, however, is not a net payment, for it is subject to a still further deduction. Out of the share payable to the United States from the earnings of the company the advisory committee, controlled by the company, shall set aside a fund of an indefinite amount, called "an extraordinary replacement and betterment fund," to be used to keep the steam and water power plants intact and abreast of the art.

But even then the United States Treasury does not receive any funds, because all the remaining undistributed profits payable to the United States are turned into a "rotary fund," controlled by the Secretary of War, who, in his discretion, may make "expenditures for general purposes of the Muscle Shoals enterprise," which removes all doubt that the Treasury will in the end receive very much.

Mr. WADSWORTH. Mr. President, I see the Senator is reading from a prepared document. Will he regard it as impertinent on my part if I inquire if the Senator prepared that himself?

Mr. HARRISON. I myself prepared the document. It is a part of my notes.

Mr. WADSWORTH. I am very much interested in it, because that is the most extraordinary description of the Hooker offer that I have ever heard.

Mr. HARRISON. It may so appear to the Senator. I have no doubt the Senator will endeavor to combat it in his argument and attempt to show some good features in the Hooker proposal, to which I have just alluded. Mr. President, the Hooker proposition is all right if the Government wants to go in on a basis of giving to the gentlemen submitting the proposal one-third or one-fourth, the Government taking the remainder and the gentlemen forming the company doing the business; but under the Hooker proposal the Government will put up all the money and the farmers will not be guaranteed one cent of reduction in the price of fertilizer.

Mr. WADSWORTH. Mr. President, if the Senator will permit another interruption, let me say to him that that is true with respect to every proposal in regard to Muscle Shoals. The Government has already put up the money; no one but the Government has spent a cent there.

Mr. HARRISON. I understand that.

Mr. WADSWORTH. And this proposal, like all the others, merely contemplates the Government finishing the plants and the dams.

Mr. HARRISON. It is quite true that the Government has put up all the money.

Mr. WADSWORTH. Then it should not be a matter of denunciation in such stentorian tones.

Mr. HARRISON. Well, I have not denounced these gentlemen; I think it is a fine business proposition for them. The Senator could not have been here when I paid my very eloquent tribute to the character and business qualifications of these estimable gentlemen.

Mr. WADSWORTH. In referring to the question as to who put up the money, everybody knowing, of course, that the Government has put up all the money and must have put it up, I can only interpret the intent of the Senator by the manner in which he has made the utterance.

Mr. HARRISON. The Senator must not consider that I have cast any reflection on these particular gentlemen, who happen, perhaps, to be citizens of the State of New York. They are splendid gentlemen, no doubt; but I have talked about who put up the money in each one of these proposals; I am only analyzing the Hooker proposal.

Mr. WADSWORTH. The Senator has gone considerably further than that.

Mr. HARRISON. I have no venom in me at all.

Mr. WADSWORTH. The Senator has referred to them as being "smooth."

Mr. HARRISON. I say that that theirs is a pretty smooth offer. I do not mean it in an offensive sense.

Mr. WADSWORTH. That is a question to be demonstrated, which the Senator has not done.

Mr. HARRISON. I will not use such strong language if it gives offense to my friend from New York.

Mr. WADSWORTH. The Senator is liable to use strong language.

Mr. HARRISON. I withdraw the word "smooth," and I will say it is an ingenious proposal; that if the Government should accept it, it would lose much money, and these gentlemen would be greatly benefited and receive very large profits therefrom.

Mr. President, I do not care to occupy the time of the Senate longer. I believe that the best policy for the Senate to pursue is to accept the proposal made by the Senator from Alabama, to which I have some amendments I desire to offer. I believe that proposal embodies a plan that will mean the early completion of the dams and the operation of the nitrate plants at Muscle Shoals. I believe, in the end, it will work a great benefit to the farmers of the country.

Of course, I think the Senator has made an error, and I am sure that he will accept an amendment to his proposal in that his proposed substitute provides that if within four years, or at the expiration of four years—I may not have it exactly right—it is not paying, the corporation shall cease to function. I think, perhaps, it will not pay during the first four years. I think it should have a longer time to be tried out than that. I think that if there is any limitation at all to this corporation, it should be at least 10 years; and I would much prefer to see no limitation whatsoever. Even though the Government should lose some money in the making of nitrates for powder purposes and nitrates for fertilizer purposes there, is it not incumbent on us to provide for the Nation's defense? Was it not the intention when we poured out these millions on millions that we were to provide, in case of the exigency of war, a supply of nitrates for war purposes? We build a battleship at a cost of millions of dollars and in a few years it is sunk by airplanes or something else. We operate various Government agencies and we get nothing in return; indeed, the only department of the Government from which we get anything in return is the Post Office Department; and I learn from a report which has just been filed by the Postmaster General that on second-class mail matter we lost last year around \$40,000,000, I believe. That ought to be changed, perhaps, but whether that is so or not, we are giving to the people a benefit; we are giving to them a means of acquiring knowledge and getting their mail quickly. So in this case, even though we should lose some money in the manufacture of fertilizers at Muscle Shoals, we would be giving the farmers some benefit; we would be giving them cheaper fertilizers, and at the same time we would be providing for the defense of the Nation in time of war. So I say I am opposed to limitation of four years within which to determine whether or not the corporation has proved successful. I prefer 10 years or even a longer period.

Mr. UNDERWOOD. Mr. President—

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. HARRISON. I yield.

Mr. UNDERWOOD. Mr. President, I think the Senator's statement is a very just criticism of the proposal I made in that regard from his standpoint. I want to say that the proposal in the bill, although it shuts down the plant at the end of four years if it is not on a profitable basis, is not intended to shut it down entirely. It merely requires the officers to close down the works and report the fact to Congress, and

then, if the plant is losing money, allow the Congress to determine whether it will go ahead and lose money or whether it will continue to keep it closed down. The matter comes back to the Congress for determination.

As I stated yesterday, I think that as a matter of national defense we can well afford to lose money on the operation of a plant if that is the only way we are going to get the nitrogen that is necessary for our national defense. It is no more loss of money than it is to maintain a battleship; and the purpose of that clause in the bill is merely to bring it back to the attention of the Congress and allow the Congress to keep control of the organization.

Mr. HARRISON. I thank the Senator for his explanation; but I still hold to the view that the four-year provision should be eliminated, and it should be either 10 years or without limit. It is because I am an ardent, sincere advocate of the bill that I am offering these minor criticisms. They are merely minor criticisms, but here is one criticism that I am going to suggest to the Senator that I think is worth while:

The Senator authorizes and directs the Secretary of War to complete the construction of Dam No. 3 in the Tennessee River, and so forth, and then the Senator provides in the following section for Dam No. 3. Bear in mind that the Senator's proposal applies only to Dam No. 2. It has nothing to do with Dam No. 3. It is based, as I take it, on the theory that Dam No. 3 has not been started, has not been authorized, and that nothing has yet been done with it; but Dam No. 3 is a part of this system. Dam No. 3 will not only help in creating a reservoir for these waters and preventing damage from flood waters around Chattanooga and that section of the country and aiding navigation but it will add greatly to the primary power as well as the secondary power; and, in my opinion, the lessee who procures the right to develop power at Dam No. 2 should have the same right in regard to Dam No. 3. I think it is one system. I do not think we should disconnect them. I think that whoever bids on this proposition it should be along the lines that are contained in every proposal except that of the Union Carbide Co., as I understand, that Dam No. 3, when completed, will bear the same relation to the lessee as Dam No. 2.

So I hope that before the debate is closed, and before the consideration of the Senator's bill is ended, he will consent, if it meets with the views of the majority of the Senate, that the two propositions shall be consolidated, and not make the development at Dam No. 3 and the lease of power at Dam No. 2 wait upon the contingency of its completion before we enter into that lease. I have seen too much delay in this matter. I have seen practically eight years of delay with respect to Dam No. 2; and with a different personnel in a new Congress in the years to come when Dam No. 3 is completed, if it takes that long, the farmers will be delayed that much in getting cheaper fertilizer, or the people in getting power in that event.

Mr. UNDERWOOD. Mr. President, if my friend will allow me, if the Senator desires to make an amendment to that effect I have no objection. As a matter of fact, the clauses that the Senator reads are supplemental clauses to the part of the bill which relates to Dam No. 2. When I provided in the bill for the authorization of the building of Dam No. 3—which ought to be done, and which the Government will lose no money in building, because it is already demonstrated that when it is finished if the Government wants to lease the power it can do it for the cost of the dam—I did not provide what should be done with that power, but simply said that after its completion the Congress should determine it, because—I will be candid with the Senator—I did not know what to provide. Of course, so far as fertilizer is concerned, at Dam No. 2 there is enough power already developed to make fertilizer to the extent that this bill provides.

Mr. HARRISON. In that connection, I think the Senator is a little in error there. As I recall, the testimony and the maps prepared by the experts show that with the utilization of the steam plant at Gorgas, which is now gone, and which supplied 40,000 horsepower, and the steam plant at nitrate plant No. 2, which provides 80,000 horsepower, by converting the secondary power into primary power by the use of both of those steam plants we would have at Dams Nos. 2 and 3, not just Dam No. 2, only 241,000 horsepower, and that it will take 257,000 horsepower to make fertilizer to the extent of 40,000 tons of fixed nitrogen, mixed and unmixed, of all kinds of fertilizer.

Mr. UNDERWOOD. The Senator is right. One witness, and a very expert witness, testified to that effect, but the power at Dam No. 3 is 40,000 horsepower. Practically speaking, there is 200,000 primary horsepower with the same units added at Dam No. 2, and of course as to the utilization of power the 200,000 horsepower is more than sufficient to operate the

nitrogen plants. But if you are going to use the power also—and that probably ought to be done—to develop the making of phosphoric acid for fertilizer, it probably will require more power.

Now, having a double-barreled bill, one part of it providing for a lease and the other part for Government operation, I really was in doubt when I wrote that section as to how to word it in a way that might fit into a contract on the one hand or Government operation on the other. That is the reason why I merely provided that at a future date the matter should be determined by Congress, because if it goes to a lessee it might be treated in one way and if the Government operates it it might be treated in another way. I have no objection, however, to any amendment along that line that the Senate may wish to put on at this time.

Mr. HARRISON. The Senator understands that I am merely pointing out that criticism, which I think is a criticism.

Mr. UNDERWOOD. I think it is a criticism, and I should be glad to have it remedied if possible. I say that the reason why I did not attempt to remedy it was because I could not make up my mind how I could write a clause that would fit a lessee and a Government corporation both at the same time, and I left it to the future determination of Congress; but I have no objection whatever to the Senate amending that clause and providing now for the use of the power if it can be done satisfactorily.

Mr. HARRISON. Mr. President, the Senator from Alabama has done a great work in the preparation of this bill. It seems to me that he has solved this problem. The provisions of the bill meet the expressions of the President's message. I can not understand how even anyone who favors governmental operation can object to the bill. It seems to me that it is a method which we can all agree upon and do something that will reflect great credit upon this Congress.

The Senator's bill makes it necessary and obligatory that at least 40,000 tons of fixed nitrogen shall be made annually at Muscle Shoals, whether operated by the Government or whether operated by a lessee. Of course, that does not apply for the first three years, because it goes up in steps of ten, twenty, thirty, and at the fourth year it reaches forty thousand tons. There may be some question in my mind as to whether you have given the lessee long enough time in order to reach the 40,000 tons; but at least at a certain time, whether a lessee enters into a contract with the Government or whether the Government operates the plant through a corporation, the farmers will be assured of 40,000 tons of fixed nitrogen manufactured annually at Muscle Shoals, which will be a guaranty of the Nation's defense in time of war and a guaranty that at least 2,500,000 tons of ordinary fertilizer will be produced annually for the farmers in America.

I do not know, if this bill should pass, whether anybody will make a bid under its terms or not. It provides, as I read it, that the rate shall be fixed and regulated by the States into which the power enters and is sold—a proposition that even a Hamiltonian Republican ought to agree is sound. They ought to have that right.

Mr. DIAL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from South Carolina?

Mr. HARRISON. I yield to the Senator.

Mr. DIAL. I should like to suggest to the Senator that if it is contemplated to build Dam No. 3 it could be done much more economically soon after the completion of Dam No. 2, while the machinery and force are intact.

Mr. HARRISON. The Senator and I are in entire accord. We have just discussed that matter, and that is agreeable to the Senator from Alabama.

There are provisions here which say that the Secretary of War shall compel the lessee to put up adequate security. I do not know whether we ought to leave that power in the Secretary of War or not. I have some doubts about that proposition. I believe the Secretary of War will compel him to put up at least a \$10,000,000 bond, or capitalize the organization at that much, because every proposal that has come to us except the Hooker-Atterbury bid has proposed a \$10,000,000 corporation, and some of them \$15,000,000. But certainly a guaranty that is adequate should be required of whoever may lease this particular property. So under the provisions of the Underwood proposal we will get the required fertilizer; the rates will be regulated, because the Senator from Alabama writes into the bill the same proposal that was placed in the Ford bid, that the price to the consumer of fertilizer shall in no case be larger than the cost of production plus 8 per cent, leaving out, and wisely so, the cost of production and of sale plus 8 per cent; so the farmers will receive some benefit from

that proposition. If they do not bid on it, if these institutions that have made their proposals are not willing to come under the terms of the bill if we should pass it during this session, and the 1st day of July of next year should arrive, then the Government is to proceed with the \$50,000 corporation to run and operate this great natural resource down there.

Why, it is the wise thing to do. It is the economical—it is the expedient thing to do. I hope that the Senate will adopt this proposal, with certain minor amendments, and that after that shall have been done the House, without sending it to conference, will ratify and concur in the proposal. If that is done, I have no doubt that the President of the United States will sign it, because I read with thrills in my heart the expressions of the President touching this great subject.

Oh, how long it has been delayed! For what time have the farmers waited to get some benefit from the act of 1916; and how culpably negligent, how lacking in statesmanship, has the American Senate been—I will not say anything about the House, because under the rules I am prohibited from doing so—in dealing with this great question!

Here is what the President said:

The production of nitrogen for plant food in peace and explosives in war is more and more important. It is one of the chief sustaining elements of life.

What does he mean by that? Does he mean power?

It is one of the chief sustaining elements of life.

No; he means fertilizer.

It is estimated that soil exhaustion each year is represented by about 9,000,000 tons and replenishment by 5,450,000 tons.

What does he mean by "soil replenishment"? Does he mean power for some industries in that great section of the country? No; he means fertilizer.

The deficit of 3,550,000 tons is reported to represent the impairment of 118,000,000 acres of farm lands each year.

He goes further. He sounds more eloquent as the message goes on.

To meet these necessities the Government has been developing a water-power project at Muscle Shoals to be equipped to produce nitrogen for explosives and fertilizer. It is my opinion that the support of agriculture is the chief problem to consider in connection with this property.

Oh, with what emphasis did he use that expression! Was he talking about power when he took his pen to employ that language, when he said, "It is my opinion that the support of agriculture is the chief problem to consider in connection with this property"? Is it considered in the Norris bill, which gives 75,000 secondary horsepower and 25,000 horsepower? Is it considered in the Alabama Power Co. proposal? Is it considered in some of the other proposals, like that of the Union Carbide Co., made to the Senate?

The President further says:

It could by no means supply the present needs for nitrogen, but it would help and its development would encourage bringing other water powers into like use.

Several offers have been made for the purchase of this property. Probably none of them represent final terms. Much costly experimentation is necessary to produce commercial nitrogen. For that reason it is a field better suited to private enterprise than to Government operation. I should favor a sale of this property, or long-time lease, under rigid guaranties of commercial nitrogen production at reasonable prices for agricultural use.

Let me read that again. Let me burn it into your minds. Let me stamp it upon your hearts. These are the words of the President:

I should favor a sale of this property, or long-time lease, under rigid guaranties of commercial nitrogen production at reasonable prices for agricultural use.

Does he say anything about the development of power for power purposes, as is embodied in the Norris bill? No; it is to be for agricultural purposes. He goes further:

There would be a surplus of power for many years over any possibility of its application to a developing manufacture of nitrogen. It may be found advantageous to dispose of the right to surplus power separately, with such reservations as will allow its gradual withdrawal and application to nitrogen manufacture. A subcommittee of the Committee on Agriculture should investigate this field and negotiate with prospective purchasers.

Everything that the President suggests there is contained in the first part of the amendment offered by the Senator from

Alabama. Under that they would have six months to make their proposal to lease it under rigid guaranties, as the President says, to make nitrogen to insure this country against war and for fertilizer purposes. What does the President say in his concluding paragraph? He says:

If no advantageous offer be made, the development should continue and the plant should be dedicated primarily to the production of materials for the fertilization of the soil.

That is exactly what the bill introduced by the Senator from Alabama proposes, first, to give it to private initiative. If they do not accept it, the Government should then continue and the plant should be dedicated primarily to the production of materials for the fertilization of the soil.

Mr. President, the proposal made is a statesmanlike one, and we should at the earliest possible moment adopt it, with certain amendments, and get it to the White House, so as to let the farmers get some ray of relief, which has been long delayed.

The PRESIDING OFFICER. The question is on agreeing to the substitute reported by the Committee on Agriculture and Forestry.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ball	Fernald	Jones, N. Mex.	Sheppard
Bayard	Ferris	Jones, Wash.	Shipstead
Borah	Fess	Kendrick	Shortridge
Brookhart	Fletcher	Keyes	Simmons
Bruce	Frazier	McKellar	Smith
Bursum	George	McNary	Smoot
Butler	Gooding	Means	Stanfield
Caraway	Greene	Metcalf	Sterling
Copeland	Hale	Neely	Swanson
Couzens	Harrell	Norris	Underwood
Cummins	Harris	Oddie	Wadsworth
Curtis	Harrison	Overman	Walsh, Mont.
Dial	Heflin	Pittman	Watson
Dill	Howell	Ralston	Willis
Edge	Johnson, Minn.	Reed, Pa.	

The PRESIDING OFFICER. Fifty-nine Senators having answered to their names, there is a quorum present.

Mr. DIAL. Mr. President, I send to the desk an amendment to the amendment, which I ask may be printed and lie on the table.

The PRESIDING OFFICER. The amendment to the amendment will be printed and lie on the table.

Mr. WADSWORTH. Mr. President, I know that some other Senators desire to address the Senate on the question, but some of them are not ready at this time to do it, and although I can not boast of being completely prepared by any means to discuss such a complicated measure, I shall endeavor to offer some comments at least.

Mr. NORRIS. If the Senator from New York does not care to go on now I would like to make a suggestion, and I ask the attention of the Senator from Alabama [Mr. UNDERWOOD].

In the parliamentary sense the question before the Senate is the committee amendment. As I understand it, if the committee amendment were substituted for the House text, then unless we have some agreement to begin with it would not be subject to amendment. The amendments ought to be offered and acted on first. The Senator from Alabama can not offer his amendment until we get rid of this one. I do not want to limit amendments in any way, so I was going to suggest that if it is agreeable I will ask unanimous consent that if the committee amendment is substituted on the vote, which I suppose will only be a formal vote, because there is no one here advocating the House text now, it shall then be considered as an original bill subject to amendment in every way that an original bill would be.

We could pass on the committee amendment now, and then the Senator from Alabama could offer his amendment. I want this understanding, however. If that is agreed to and the Senator then offers his amendment, I would like the same unanimous-consent agreement when that comes up, that if it is agreed to it shall then be subject to amendment the same as an original bill.

Mr. UNDERWOOD. Of course I recognize in the present parliamentary state that it is probable I could not offer my substitute as an amendment to the committee substitute, but if the committee substitute is adopted then when the bill goes into the Senate I could move my substitute.

Mr. NORRIS. I am thinking not only of the Senator's amendment, but of amendments that other Senators may wish to offer. I presume there are various Senators who have amendments to offer, both to the proposition of the Senator

from Alabama and to the committee substitute as well. I do not want to preclude any such Senators from offering those amendments by any parliamentary procedure that would shut them out.

Mr. SMOOT. The Senator could not do that.

Mr. NORRIS. If we should vote now on the substitution of the committee amendment for the House text and it were substituted, I would be willing that we should consider it subject to amendment just as if it were an original bill, and not limit it in any way.

Mr. BRUCE and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from Utah.

Mr. SMOOT. It seems to me there is no advancement of the measure or time saved by that program. The rules provide that any amendment can be offered when the measure reaches the Senate.

Mr. NORRIS. I understand that; but many Senators would not want to wait until then. They might want two votes on their propositions. I am not making the suggestion for my own convenience. I want to do it in order to be as accommodating and courteous as I can to all Senators. I do not want anything to happen that might preclude those who may not be as familiar with the rules as is the Senator from Utah.

Mr. UNDERWOOD. As I understand the situation, an amendment to the committee substitute for the bill is not in the third degree, and anyone could move to strike out a clause of the committee amendment now; but I can not offer an amendment by way of a substitute.

Mr. NORRIS. I think the Senator is perfectly right; but I have talked with the Presiding Officer of the Senate, and he is of the opinion that if the committee amendment is now substituted, as the committee recommended, it would not then be subject to amendment again until the bill reached the Senate.

Mr. UNDERWOOD. That is true.

Mr. NORRIS. I think that is the parliamentary situation.

Mr. UNDERWOOD. I think so.

Mr. NORRIS. If some Senator wants to offer an amendment now, then I do not want to preclude him from offering it.

Mr. UNDERWOOD. Of course, when that time comes we can determine by unanimous consent whether we can offer another substitute in the Committee of the Whole or whether we shall wait until the bill gets into the Senate. I would prefer to wait until we have voted on the committee substitute.

The PRESIDING OFFICER. The Senator from Nebraska asks unanimous consent—

Mr. NORRIS. No; I shall not submit the request. I took the Senator from New York off the floor without intentionally doing it. I thought everyone would agree to my suggestion, but if nobody else wants it I certainly do not.

Mr. BRUCE. Mr. President—

Mr. WADSWORTH. I shall be glad to yield if the Senator from Maryland desires to proceed.

Mr. BRUCE. I merely desire to remind the Senator from Nebraska that I have already offered an amendment to his substitute.

Mr. NORRIS. That amendment is not before the Senate. I did not understand that it had been formally offered.

Mr. BRUCE. Oh, yes.

Mr. NORRIS. It was ordered to be printed.

Mr. BRUCE. I would like to have my amendment read at this time.

Mr. SMOOT. Does the Senator offer it at this time?

Mr. BRUCE. I have offered it, and I would like to have it read now.

Mr. NORRIS. I ask the Senator if his amendment has been printed?

Mr. BRUCE. It has been printed.

Mr. NORRIS. I would like to be supplied with a copy of it.

The PRESIDING OFFICER. The Clerk will read the amendment offered by the Senator from Maryland to the amendment in the nature of a substitute reported by the committee.

The READING CLERK. On page 23, after line 5, strike out "section 6" and substitute therefor the following:

In the appointment of officials and in the promotion of any such officials no political test or qualifications shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency; and in the selection of employees for said corporation and in the promotion of any such employees all selections shall be made in accordance with the provisions of the Federal statutes relating to the Federal classified civil service and the powers and authority of the President and the United States

Civil Service Commission with respect thereto. The board shall keep a record of all requests, oral and written, made to any member thereof, coming from any source, asking for any favor in behalf of any person or the promotion of any employee, which record shall be open to the public inspection. Any member of said board who permits the use of political or partisan influence in the selection of any employee, or in the promotion of any such employee of said corporation, or who gives any consideration to political consideration in the official action of said board, or who, knowing that such political influence has been or is attempted, does not record the same in said record, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not exceeding \$1,000 or be imprisoned not to exceed six months, or both such fine and imprisonment, and the conviction of any member of said board of the offense herein defined shall have the effect of removing such member from office.

Mr. NORRIS. If the Senator's amendment is pending and he is going to talk on it, I would like to have him call the attention of the Senate to the difference between his amendment and the text which he seeks to amend. As it was read at the desk I thought it corresponded to the language of the proposed committee substitute.

Mr. BRUCE. I shall be glad to explain it.

Mr. NORRIS. From a casual reading of his amendment, which has just come to my desk, I think the only difference between the text of the committee substitute which the Senator seeks to amend and the Senator's amendment is that he adds one sentence providing for the application of the civil-service rules to appointments. If that is the only difference, I have no objection to the amendment myself.

Mr. BRUCE. I thought that the Senator from Nebraska probably would not have any objection to it; but let me offer just a word of explanation with reference to the scope of the amendment.

Section 6 of the committee substitute provides that in the appointment of the officials and in the selection of the employees of the proposed Federal corporation there shall be no political test or discrimination of any sort either as respects appointment or selection or promotion, and that all appointments or selections or promotions of such officials or employees shall be based upon merit and efficiency. That is all very well, of course, for the province of moral platitudes. Those provisions sound very smoothly to the ear, and I do not question for a moment that it was sincerely the object of the draftsman of the substitute to remove the officials and employees of the proposed Federal corporation entirely from the field of partisan influence.

But we all know that in order to do that something more is necessary. The amendment which I have proposed leaves the text of the committee substitute so far as it relates to officials of the proposed Federal corporation wholly untouched but it provides that when any employees, as distinguished from officials, are selected by the proposed Federal corporation they shall be selected agreeably with the Federal statutes bearing upon the Federal classified service and the powers of the President and the United States Civil Service Commission with regard thereto. If the amendment in that form is satisfactory to the Senator from Nebraska, I have little further to say.

Mr. NORRIS. It is perfectly satisfactory to me, I will say to the Senator. I think the Senator's amendment adds one sentence and helps the bill, and I am very glad to have it.

Mr. BRUCE. I was sure that it would be satisfactory to the Senator from Nebraska, and I trust that it will be equally satisfactory to all of the Members of the Senate. But I have no means of knowing whether it is or not, and I should like to supplement what I have said with just a few more observations. I feel all the more encouraged to do so now that I am aware that I have the very encouraging support of the Senator from Nebraska.

Of course, the object of this amendment is perfectly plain. It is to make sure that the employees of the proposed Federal power corporation, who, doubtless, will be very considerable in number, shall be selected agreeably not with the old patronage system of appointment or, as the President very fittingly called it two days ago in his message, the old "spoils system" of appointment, but agreeably with the statutes relating to the Federal classified service and the powers of the President and the United States Civil Service Commission in relation thereto.

I, for one, was delighted when, in addition to his other timely observations, the President declared that there was now almost universal recognition of the value of the principle that underlies the national merit system of appointment; and when he proceeded to recommend that even first, second, and third class postmasters should also be brought within the purview of that system.

I remember that a great many years ago the Rev. Henry Ward Beecher became so much interested in the merit system of appointment that he declared that he was beginning to believe that even entrance into the kingdom of heaven should be regulated by competitive examination. I am not such an extremist as that, but I do believe that nothing has ever been more effectual to promote the true spirit of our American institutions than the adoption of the national merit system of appointment. Certainly there could be no more reasonable occasion for the extension of that system than the present, when the President, in the message to which I have just referred, not only suggests that the entire Prohibition Unit should be brought within the Federal classified service but that when this is done the present members of that unit should not be covered into it. So far as I know, that is the first time in the history of the United States when there has been an extension of the Federal classified service and existing officeholders were not sheltered by its provisions.

So it seems to me that if this proposed Federal corporation shall be created, with the great number of Federal employees which we have every reason to believe that it would have, we shall require something more than the mere, bare declaration in section 6 of this substitute that those employees shall be selected without regard to partisan considerations. We shall want them actually brought under the protection of the Federal classified service so that they may have some better security for their tenure than any mere moral assurance or any mere smoothly turned profession of good intentions can ever be. That is the object of the amendment, and I trust that it will receive the support of every Senator in this body.

Mr. NORRIS. Mr. President, before the Senator from Maryland takes his seat I wish to ask him if, instead of striking out the entire section, he will not offer the amendment merely as an insertion?

Mr. BRUCE. I will do so with pleasure.

Mr. NORRIS. I suggest to the Senator that after the word "efficiency," in line 11, on page 23, he simply insert a new sentence instead of striking out the entire paragraph.

Mr. BRUCE. I accept the Senator's suggestion.

The PRESIDING OFFICER. The amendment as now proposed by the Senator from Maryland will be stated.

The READING CLERK. On page 23, line 11, after the word "efficiency," it is proposed to strike out the period and insert a semicolon and the words:

and in the selection of employees for said corporation and in the promotion of any such employees all selections shall be made in accordance with the provisions of the Federal Statutes relating to the Federal classified civil service and the powers and authority of the President and the United States Civil Service Commission with respect thereto.

Mr. BRUCE. That is entirely satisfactory to me.

The PRESIDING OFFICER. The Chair understands that the chairman of the committee favors the amendment suggested by the Senator from Maryland [Mr. BRUCE].

Mr. NORRIS. Yes. Personally I have no objection to it, and I myself am going to vote for it.

The PRESIDING OFFICER. The amendment, then, is before the Senate.

Mr. SMOOT. Let the amendment again be read as it has been finally agreed upon.

The PRESIDING OFFICER. The Senator from Utah asks that the amendment be again read. The Secretary will state the amendment.

The amendment was again read.

Mr. SMOOT. Mr. President, I wish to ask the Senator from Nebraska what the amendment means where it refers to promotions, where, it seems, under the wording of the amendment, the Civil Service Commission is called upon to pass upon every promotion that shall be made. If that shall be the case, it will be necessary to have three or have four or five times the number of Civil Service Commission employees we now have.

Mr. NORRIS. Promotions will be in accordance with existing laws and statutes.

Mr. SMOOT. But the Civil Service Commission has nothing to do with promotions.

Mr. NORRIS. I do not have the amendment before me, but under it promotions are to be in accordance with the Federal statutes.

Mr. SMOOT. I am going to ask the Senator from Maryland what he had in mind in presenting the amendment?

Mr. BRUCE. As I have said, the purpose is merely to provide that political consideration shall not be given weight—

Mr. SMOOT. To that we all agree.

Mr. BRUCE. In the selection of employees of the proposed Federal power corporation. I leave the existing provisions of

section 6 of the substitute as respects officials unaltered, because properly, of course, the higher officials of the proposed corporation ought not to be subjected to competitive examinations. So my amendment is directed solely at the selection of employees, and merely provides that in their selection and promotion the provisions of all statutes relating to the Federal classified service and to the powers of the President and the United States Civil Service Commission with respect thereto shall apply.

Mr. SMOOT. I have not read the amendment carefully, but I take it for granted that the Senator intends that the statutes governing the classified service as affecting the employees of our Government shall apply to all promotions.

Mr. BRUCE. That is right, and to appointments and selections.

Mr. SMOOT. Of course, there is no necessity of having that in the bill, because those statutes apply in any event, and it is impossible to get around them.

Mr. BRUCE. I do not think they would apply in this instance.

Mr. SMOOT. Why not?

Mr. BRUCE. Because the corporation will not be a part of any existing departmental organization of the Government; it will be a new governmental agency, for the substitute proposes to create a new field of administration altogether, just as in the case of the creation of the Prohibition Unit.

Mr. NORRIS. Mr. President, may I interrupt the Senator there?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Nebraska?

Mr. BRUCE. I do.

Mr. NORRIS. I take it that the suggestion of the Senator from Utah is to the effect that the law does not provide for the Civil Service Commission controlling promotions.

Mr. SMOOT. Yes; it does not control promotions.

Mr. NORRIS. Of course, if the law does not so provide, that portion of the Senator's amendment would not mean anything; and if the law does not so provide I suggest to the Senator that he strike out that portion of his proposed amendment.

Mr. STERLING rose.

Mr. BRUCE. I speak with hesitation in the presence of the Senator from South Dakota [Mr. STERLING], who is very familiar with the subject. My recollection is that the rules and regulations relating to the classified service do in some respects relate to promotions.

Mr. SMOOT. The rules of the classified service have to do with promotions, but the Civil Service Commission has nothing to do with them.

Mr. BRUCE. My amendment is not limited to the Civil Service Commission. It provides that selections and appointments are to be made agreeably with the provisions of the statutes relating to the United States Civil Service Commission and the classified service.

Mr. SMOOT. I should like to read the proposed amendment of the Senator from Maryland.

Mr. BRUCE. I am glad to give the Senator a copy.

Mr. STERLING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from South Dakota?

Mr. BRUCE. I do.

Mr. STERLING. I simply wish to say that, in my opinion, the proposed amendment does not change the law or attempt to change the law in regard to promotions or confer any power on the Civil Service Commission that it does not already possess in regard to promotions. It will be noted that the amendment proposed by the Senator from Maryland refers to the Federal statutes, and to provisions in regard to the classified civil service. The statutes themselves have something to say in regard to promotions.

Mr. BRUCE. That is the point I was endeavoring to make.

Mr. STERLING. That is the meaning of this amendment. The fact that the word "promotion" and the words "Civil Service Commission" are used in the same sentence does not confer any new power upon the Civil Service Commission. The situation is as stated, I think, by the Senator from Nebraska in that respect. The amendment reads:

And in the selection of employees for said corporation, and in the promotion to any such employees, all selections shall be made in accordance—

With what?—

with the provisions of the Federal statutes relating to the Federal classified civil service and the powers and authority of the President and the United States Civil Service Commission with respect thereto.

How do they get any power at all except under statutes already existing?

Mr. SMOOT. Mr. President, since I have read the amendment carefully I think that the construction which has just been placed upon the wording of the amendment by the Senator from South Dakota is correct. When it was first read from the desk, however, I thought that it only applied to promotions, and provided that the United States Civil Service Commission should have power over such promotions. I know if such a thing were attempted that it would be absolutely impossible of administration, and I did not want any mistake to be put into the law that would bring about such a result.

Mr. BRUCE. Mr. President, I am very much obliged to the Senator from South Dakota, especially for the service that he has rendered me in accomplishing the very difficult task of disabusing the mind of my friend from Utah of an impression when once formed.

Mr. SMOOT. It is the wording of the provision that convinced me and not any statement that has been made, Mr. President.

Mr. BRUCE. It is very natural under the circumstances, I assure the Senator, that he should have formed the misapprehension that he did.

Mr. SIMMONS. Mr. President, I desire to ask the Senator from Maryland a question.

Mr. BRUCE. Certainly.

Mr. SIMMONS. I do not understand the Senator from Maryland to mean that these appointments would be made by the Civil Service Commission.

Mr. BRUCE. Oh, no.

Mr. SIMMONS. They would be made by agencies set up by the corporation itself?

Mr. BRUCE. Certainly. The United States Civil Service Commission would simply hold competitive examinations and report eligible lists to the corporation, and the corporation would make the appointments.

Mr. SIMMONS. Then the Senator does mean that these employees would be selected after a civil-service examination held by the Civil Service Commission?

Mr. BRUCE. So far only as one is required by the Federal statutes at the present time. Laborers, of course, would be selected as other Federal laborers are selected.

Mr. SMOOT. But they would have to pass the examination?

Mr. BRUCE. Yes; if required by the civil service laws.

Mr. SIMMONS. And that examination is before the Civil Service Commission, and they certify to this corporation an eligible list?

Mr. BRUCE. Yes; so far as the nature of the employment calls for examination and certification.

Mr. SIMMONS. Just as pertains to one of the departments of the Government now?

Mr. BRUCE. I say, so far as the nature of the employment is such as legally to call for examination and certification, and not otherwise.

Mr. SIMMONS. Now, Mr. President, another question. Does the Senator from Maryland really believe that he can successfully apply the civil-service system, as now inaugurated and practiced, to an industrial corporation?

Mr. BRUCE. Indeed I do. I do not see that there is any difference between the situation created by this substitute and any ordinary situation in which the Federal Government has to command the services of clerks, or messengers, or what not.

Mr. SIMMONS. Practically the Civil Service Commission would select the three from whom the managers of this industrial corporation would make the appointments from the highest down to the lowest employee in that industrial concern. Does the Senator know of a single great industrial corporation in this country that has a civil-service system of its own of that character, that takes out of the hands of the managers of this industrial corporation—it is not a Government function; it is a business institution, an industrial corporation—that takes out of the hands of the managers of that corporation the selection at will of its employees, from the highest to the lowest, its experts, its chemists, all the various grades of employees that work in that great institution, and forces them to make a selection from a list of three certified to them by the Civil Service Commission, based upon a test that they themselves do not as business men apply, but that the Civil Service Commission applies?

Mr. STERLING. Mr. President—

Mr. BRUCE. Just one moment. I will yield to the Senator in a moment. Just let me answer first.

Mr. STERLING. Certainly.

Mr. BRUCE. I am pretty familiar with this subject, I think. So far as private industrial concerns go, I can truly say that I do not know of any private industrial concern in the United States worthy of the name that has not of its own volition and as a matter of wise policy adopted a merit system of appointment of its own, absolutely free in every respect from partisan or sectarian influences, as the Federal classified civil service is intended to be.

Mr. SIMMONS. That is another question.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Arkansas?

Mr. BRUCE. I will yield in just one minute.

Mr. CARAWAY. Very well.

Mr. BRUCE. Private industrial concerns are not exposed to the temptations, the perversions, the pressure that belong to party politics; but we all know that every governmental agency is, whether it is a departmental agency created directly under the provisions of the Federal Constitution or merely such a special agency as the proposed Federal Power Corporation contemplated by this committee substitute.

Of course, the employees of the corporation—I am not speaking of the officials; my amendment does not include them—would be of precisely the same general nature as the ordinary employees of the Government when it is exercising its ordinary departmental or administrative functions.

Some of them will be chemists, just as the Senator from North Carolina suggests. Some of them will be clerks. Some of them will fill other subordinate positions of one kind or another; but I venture to say that there will not be one of them, no matter how highly exacting his duties may be, that will not fall directly within the spirit, even if in some cases not within the letter, of the Federal statutes relating to the Federal classified service.

Does not the Senator from North Carolina know—I am sure he does—that many applicants seeking positions of the most highly specialized or technical character are subjected to competitive examination at the hands of the United States Civil Service Commission? Why, surely the Senator receives periodically, as I do, printed circulars from the United States Civil Service Commission calling attention to vacancies that are to be filled by competitive examination. Those lists include positions that can be filled only by scientific experts, or highly trained technicians of one sort or another. Therefore I respectfully submit to the Senate that there is no real validity in the objections which the Senator from North Carolina is making to this amendment.

Mr. SIMMONS. Mr. President, I have no disposition to engage in any controversy with the Senator from Maryland. I did not rise with a view of trying to defeat his amendment; but it does seem to me that what the Senator has said has not removed the impression that to apply the civil service rules of this Government to this purely business institution—for that is what it is, although all its stock is owned by the Government—would necessarily result in very great embarrassment to the officials who have to administer the powers of that great corporation.

The Senator says he does not know of any private enterprise that applies the rigid practices of the Federal civil-service system. I think if you treat this as a private enterprise, you will see the wisdom of that course and the necessity under which private business has been to give full freedom and discretion to its officials in the selection of employees and subordinates, and not in any way to fetter them by the action of some collateral or outside organization. Now, this business that we are about to inaugurate—especially if we should adopt the plan proposed by the Senator from Alabama, and the Government should not be able to lease the plant, and should have therefore to operate the plant itself—while it would be a corporation owned by the Government, and in a sense operated by the Government, if it is to be operated successfully will have to be operated upon exactly the same principles that a private corporation engaged in the same kind of business would have to operate. I was afraid—and that was the only object of my making the suggestion—that if the principles of the civil service were to apply, the responsible officials of that corporation, those who have the general management and direction and control of its affairs, might find themselves very much embarrassed if they were forced to make a selection from three names certified to them by an outside agency, selected by the outside agency upon the application of certain tests that they have evolved as the legitimate and proper tests of efficiency, instead of being selected by the head officials or by a board appointed by the

corporation upon the application of such tests as they think, or business men like themselves would think, were the proper and legitimate and necessary tests in order to establish the qualifications and fitness of a particular employee.

The Senator does not understand me as antagonistic to his measure?

Mr. BRUCE. Oh, no.

Mr. SIMMONS. I am simply calling to his attention the fact that if we should impose this restriction upon the head of this corporation in the management of this business it might be very handicapping and might result in a great deal of embarrassment.

Mr. BRUCE. Now, as it seems to me, to establish—if I may say so without disrespect—the futility of the suggestions made by the Senator from North Carolina, it is only necessary to read the first lines of section 5 of the committee substitute:

That the business of said corporation shall be transacted by a board of directors (hereinafter called the board) consisting of three persons, to be appointed—

By whom, pray?—

to be appointed by the President of the United States, by and with the advice and consent of the Senate.

By what possible process of transmutation can the Senator from North Carolina convert such a corporation as that into a mere private industrial concern? It is perfectly obvious that this corporation is to be clothed with insignia of public authority and public responsibility.

Now, suppose, if you please, that this substitute, instead of providing for a Federal power corporation, had chosen to impose directly upon the Secretary of War, in the exercise of his departmental authority, the duty of carrying on this great work. Would it not be necessary for him to employ chemists? Would it not be necessary for him to employ skilled technical experts? Would it not be necessary for him to employ still other agents of a highly specialized character? Yet would not every one, or practically every one, of these agents have to be selected subject to the powers of the United States Civil Service Commission?

The alternatives presented are either to have this great work carried on by a Federal power corporation incorporated for the purpose or to have it done by the Secretary of War in the direct exercise of his departmental responsibility; and there is no more reason why the merit system of employment should not apply to the selection of employees required by the Federal power corporation than to the selection of employees by the immediate action of the Secretary of War himself; and subtle as may be the reasoning of the Senator, I feel sure that he would never be able to convert the Secretary of War of the United States, at least, into a private industrial concern.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, if I have been subtle in any particular in the views I have presented, I have not intended to be, and I am not conscious of having been; but I want to ask the Senator this question: He has offered this amendment, as I understand, to the so-called Norris bill?

Mr. BRUCE. To the committee substitute, which I understand was drafted by the Senator from Nebraska.

Mr. SIMMONS. That is, looking to Government operation and control?

Mr. BRUCE. Yes.

Mr. SIMMONS. If the committee amendment is agreed to and the Underwood proposition is offered as a substitute for it, is it the purpose of the Senator from Maryland to offer this same amendment to the substitute proposed by the Senator from Alabama?

Mr. BRUCE. I never believe in jumping over a fence, to begin with, until you have arrived at it, and it will be time enough to take up the Underwood substitute, it seems to me, when that substitute comes before the Senate for consideration. If the scheme of forming a corporate organization proposed by the Underwood substitute is in all essential particulars the same as the scheme of organization proposed by this committee substitute, I most assuredly will submit the same amendment to the Underwood substitute.

Mr. SIMMONS. If the Government should lease this plant, would the Senator apply the merit system?

Mr. BRUCE. No; because the solicitations of political temptation and the pressure of political influence would not then operate; for no intelligent, well-conducted private business enterprise in the United States would think of asking whether its employees were Democrats or Republicans. That much I can answer without a moment's hesitation.

Mr. SIMMONS. Of course, I agree entirely with the Senator that the appointments should not be political, and respecting that part of the amendment I think no one could raise any objection or make any criticism. The only disagreement I have is with reference to the application of the civil service system to the operations of this corporation engaged in the manufacture and production of nitrogen.

Mr. BRUCE. It is a public administrative corporation.

Mr. SIMMONS. I think, although it is a public corporation, it is engaged in a purely business and industrial enterprise, a competitive enterprise.

Mr. BRUCE. So is the Government in a sense, when it delivers letters.

Mr. SIMMONS. I think the very same principle that would apply to a business conducted by a private corporation in the selection of its officials would apply with equal force to a corporation of this sort conducted by the Government.

Mr. BRUCE. Not at all. The board of directors is to be composed of appointees of the President.

Mr. SIMMONS. If the Government inaugurates this business and appoints a board of directors to manage it, it wants that business to succeed. It is the same business in which private individuals in this country are engaged, and it will be conducted by the Government in competition with private institutions. The prices of its products will be regulated, in part, by the prices charged by private industries engaged in the same line of endeavor, and I think any interference from the outside in the selection of employees, laborers, and officials, would be just as harmful and just as embarrassing and just as great an interference with the successful and efficient conduct of that business, although the Government owns it, as would like interference with a private enterprise engaged in the same or any other line of business.

Mr. BRUCE. How would the plan of the Senator work practically? We should endeavor satisfactorily to answer that question; not simply spin theories about the matter. Here is a Federal power corporation formed, the President appoints certain persons as the directors of that corporation, and the selection of employees is not subject at all to the provisions of the Federal statutes relating to the classified civil service. All of us know, whether we are Democrats or Republicans, that that corporation would hardly be under way before every one of us would be subjected to an insistent pressure for place. Friends of the Senator from North Carolina, in whose State, I am sorry to say, the merit system of appointment does not seem to flourish as it might—

Mr. SIMMONS. The Senator has no right to say that I am opposed to the merit system. I have said nothing which indicates that at all. But I want to ask the Senator this question—

Mr. BRUCE. One of the saddest things in the world to me, as a native of the South, which I dearly love, is the fact that because perhaps of conditions which it is very hard to surmount, this splendid system, the merit system of appointment, has never obtained the foothold there which I trust some day to see it obtain.

But I have stated what would happen if that corporation should be organized. In three days after it was incorporated I would have in my office over in the Senate Office Building, and the Senator would have in his office, applicants for places under it, and then there would be the same solicitations, the same greedy clamor, the same jostling and pushing, the same gross exhibitions of human selfishness which were invariably found in association with all the operations of this Government when there was no impersonal and efficient system like the civil-service reform system by which employees of the Government could be selected without regard to partisan or sectarian considerations.

Mr. SIMMONS. Mr. President, if the Senator will pardon me for saying it, he is setting up a man of straw and knocking it down. I have heard nobody intimate in this discussion any objection to the Federal merit system. Personally, I have none to it myself. I do not question that it has worked very satisfactorily where it was properly administered. I think sometimes it is not quite properly administered.

Mr. BRUCE. Of course, every system has its limitations and defects.

Mr. SIMMONS. Where it is properly administered I am satisfied it has worked very successfully, and I do not know of anybody who is asking that it be abolished or repealed. But that is not the question I was raising at all. I was simply propounding an inquiry to the Senator, and he converts my inquiry into opposition to the civil-service system. I was simply questioning whether the system could be applied to a corporation, although organized and operated by the Gov-

ernment but engaged in industry in competition with private industries of like character. I was asking him whether he thought it could efficiently function under the handicap of having its employees selected by an outside agency, applying a test which probably no man engaged in that particular business in a private way would apply. Now, I ask the Senator a question, and it will test the matter, I think. Does he think that if the Government should be able to find a lessee for this property, any private interest in the country would lease the property if it was to be leased with the understanding that its employees should be selected through a civil-service examination?

Mr. BRUCE. The Senator's question, of course, is entirely beside the mark, because I have already stated that if the property were leased there would be no necessity for any amendment like mine.

But let me ask the Senator a question. It is one of the peculiarities of the Yankee—by which I mean Americans generally—that when he is asked one question, he replies by asking another. The Senator has asked me a question, and I am going to ask him one that is just the converse of the one that he has put to me. Suppose the Government decided not to carry on this great work through the instrumentality of any corporate agency at all, but to carry it on itself directly.

Would it be proper then, I ask the Senator from North Carolina, that all the employees engaged in such a vast enterprise should be employed wholly without regard to the United States civil-service system? That, I submit, is the true test of the scope of the Senator's convictions upon this subject.

Mr. SIMMONS. Mr. President, I will state to the Senator very frankly that I do not think the civil service should be extended to anything except a purely Government function. When the Government goes outside of its political functions and engages in private business, then it subjects itself to the rules that obtain and apply to private business. That is a matter of law. When a State in this Union undertakes to engage in any private venture, such as running a railroad or conducting a factory, it divests itself, for that purpose, of its sovereignty. It loses some of its privileges and some of the exemptions to which it is entitled, and to which the private citizen is not entitled, and for the purpose of that enterprise it becomes practically a private citizen.

That is what the Government is proposing to do here. The United States Government is not going into this business directly. It is expressly provided in the Underwood substitute and I think in all these measures that the Government shall not in any way be responsible for the indebtedness of this concern. The Government simply has certain property which it proposes to put into the hands not solely of the Secretary of War. The Secretary of War is not to operate this corporation by virtue of his functions and his duties as Secretary of War. He is merely to be one of the board of directors. He is to be the chairman of that board. He will be the head man in the operation of the affairs of the corporation. But as a member of that directorate or as the head of that corporation he is not acting as an official of the United States. It is an extra duty that has been imposed upon him by law.

The Government is deeply interested in the corporation. We may say in one sense it is a Government corporation. It is operating Government property. It is trying to make money out of Government property. It is trying to make that property useful to the citizens of the country and useful in supplying a necessary demand of the Government. Nevertheless it is engaged in a business outside of its governmental functions. I think that in order to succeed it must have the same degree of freedom in the selection of the agencies which it employs in order to conduct its business that the head of a great private enterprise of like character would have to have.

The question between the Senator and myself is a very simple one. The Senator seems to have some feeling about it—

Mr. BRUCE. Not the least.

Mr. SIMMONS. I have none in the world. I am merely suggesting a difficulty, and I think it is a very serious difficulty. However, it seems to me so patent, so obvious, that it ought not to require any argumentation, and so I am satisfied to leave it with that statement.

Mr. BRUCE. I am so familiar with the workings of the old system that perhaps I am somewhat morbidly vigilant when suggestions of that kind emanate from a member of the Senate. I say that the function in this case is exactly the same whether it is clothed with the ordinary corporate form or whether it is clothed with a purely governmental form. The work to be done is the same in either instance. The function to be performed is the same in either instance.

It seems to me that it is idle, not to use too strong a term, for the Senator from North Carolina to speak of the Government divesting itself of its sovereignty simply because it chooses to work out results through the agency of a corporation of this kind. The substitute on its very face says that the affairs of the corporation, if created, are to be conducted by a board, and that the members of that board are to be appointed by the President. How could there be a plainer indication of the intent on the part of the Government to retain a public, a political, an administrative, whatever you choose to call it, control over the transactions of the corporation?

Mr. FESS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. BRUCE. Certainly.

Mr. FESS. Assuming that it will be a public corporation run by the Government, the difficulty about the civil service in actual work, as I see it—and I have always stood for it because I think it is better than the old plan—is that we protect the inefficient about the same as we protect the efficient. Our purpose is, of course, to relieve our men and women employees from the embarrassment of constant interruption by political influence. That result I join with the Senator in trying to produce. But does not the Senator think we ought to find some cure for this constantly growing tendency in our civil service in which our employees, protected by the civil-service regulations, become possessed of the thought that they own the office, that they can do such work as they please, that they can come and go as circumstances permit, and in that degree we are not doing what we ought to do for the civil service in our efforts to protect them as I have suggested? Is there not some way to cure that? I think the Senator recognizes the condition here in Washington.

Mr. BRUCE. I have listened with great pleasure to what the Senator from Ohio has said, but I really do not think that the grievance of which he speaks is quite so considerable as he seems to believe. I have not been here long, but to me the thing in my contact with incumbents of subordinate Federal offices which proves distasteful is the lack of a manly independence of bearing that I sometimes observe.

I mean the disposition to pay a Member of the Senate just a little larger measure of deference and consideration than ought to be agreeable to him. I recall an incident which arose shortly after I landed in Washington. I entered one of the elevators to go to my office. There was a lady in the elevator who desired to get off on the second floor. My office was on the third floor. She gave seasonable notice of her desire to leave us at the second floor, but, to my amazement, the operator of the elevator continued his ascent to the third floor, notwithstanding a reminder from me that the lady wished to get off on the floor below. No! Members of the United States Senate were not to be arrested in their course from one floor to another.

That is a trifling incident, but it is illustrative of the point I make. It was the offspring of one of the infirmities of the old spoils system that has not yet been entirely worked off. The full tone of manly independence is not even yet to be found in the public service of the Government that, I am sure, as time goes on will be found.

Of course, my remarks are applicable only to a small percentage of the Federal officeholders at Washington. It will be a long day still, if my experience is worth anything, before any such subordinate officeholder will assume a supercilious or indifferent attitude toward anybody in Washington who is clothed with a considerable degree of political authority. I admit that there are shortcomings to be found in the merit system of appointment, but what is that but what we might say of the workings of any human system? I do say, however, that if there ever was a system in the political history of the world that has demonstrated its invaluable worth, it is this merit system of appointment.

The Senator from Massachusetts [Mr. BUTLER] knows that in New England it is considered almost a discreditable thing for a very rich man to die without leaving a legacy to Harvard University. So it has become almost a censurable thing for any man to fill the exalted office of President of the United States and to surrender it without having given another additional impulse of extension to the national merit system of appointment. Everyone of our recent Presidents, whether a Democrat or a Republican, has broadened the range of this wise and beneficent system.

And now we have the present President of the United States, for whom, despite the fact that I differ from him in many respects in point of political convictions, I entertain a strong feeling of liking and respect, sending a message to this body not only extolling the operations of the merit system in all its

general aspects, but practically expressing the hope that before his eyes close on his presidential deathbed it will be so enlarged as to embrace first, second, and third class postmasters. It now includes practically the whole great mass of the subordinate positions under the Government, and we should be quick to see that whenever a bill like the pending one comes along there shall be proper language in it applying the merit system to any employees to be selected under it.

I was delighted so promptly to have the support of the Senator from Nebraska [Mr. NORRIS] when I offered my amendment, because I can truly say, though flattery does not come very readily to my lips, that since I have been a Member of this body there has not been a man in it whose bearing in all his public relations has been marked in a higher degree by transparent candor and perfect honesty of motive and purpose than that of the Senator from Nebraska.

Mr. President, I have said far more about this matter, perhaps, than I should have said, but Senators will all, I am sure, do me the justice to recognize that I have been drawn unexpectedly into the wide range of observations into which I have wandered. In conclusion, I will only again express the hope that whatever may be the fate of the substitute when it comes to a final vote my amendment at least will receive the universal approval of this body.

I believe that the Senator from South Dakota [Mr. STERLING] desired to interrupt me? Is it too late?

Mr. STERLING. I rather desired to interrupt the Senator from North Carolina [Mr. SIMMONS], but I see he is not on the floor at the present moment.

Mr. WADSWORTH. Mr. President, I shall not detain the Senate long, as I know most of the Senators present want to get away pretty soon. I have been very much interested in the colloquy which took place between the Senator from Maryland [Mr. BRUCE] and the Senator from North Carolina [Mr. SIMMONS]. To my mind that colloquy exposed, perhaps unwittingly, the whole vice of Government operation. Whenever we approach a discussion of any measure proposing to put the United States Government into a commercial business undertaking we are immediately confronted with two alternatives. Shall we allow the men who are to be put in charge of that undertaking entire freedom in the exercise of their abilities to the limit to make a success of the undertaking in the way they see fit to make their efforts, or shall we restrict them by statute and bind them down by limitations in order to prevent the injection of politics into the effort itself? Just so long as we have before us here in the Senate any measure proposing to put the Federal Government into a business which is commercial in character we will all be confronted with that dilemma. I do not know which is the worse alternative; they are both bad. If there are to be no restrictions with respect to the appointment of subordinates and their promotion, if you please, as the Senator from Maryland says, nine-tenths of the Members of this body will be importuned by constituents to get them jobs under that Government corporation. We all know it; and yet if we are to impose restrictions and subject the whole thing to civil-service rules, the management of the corporation will have lost that most valuable privilege which should inure to every man who is to be held responsible for the success of a business undertaking—he will have lost the right to hire and fire.

Mr. NORRIS. Mr. President, may I interrupt the Senator from New York?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Nebraska?

Mr. WADSWORTH. I yield.

Mr. NORRIS. I should like to ask the Senator, in order to have his judgment on the matter, whether the section to which this amendment is offered, if unamended or, at least, if unamended by the proposed amendment, would, in his judgment, leave the board absolutely free from any influence in conducting this business? Are any of the limitations in section 6 such that they ought not to be there? I want to say to the Senator that it was the object of the committee in inserting those provisions to take the operations of the proposed corporation entirely out from the influence and control of partisan politics.

Mr. WADSWORTH. Yes; and, of course, that is a very high ideal, but it will never be achieved.

Mr. NORRIS. I should like to have the Senator suggest some amendment—

Mr. WADSWORTH. If I may make this observation in supplementing the remark I just made, the words "government" and "politics" are almost synonymous. Whatever the Government does is actuated, and must be actuated, in whole or in part by political considerations. Government is politics.

Mr. NORRIS. I do not agree with the Senator. It depends upon what the Government is doing. Because this has not been done is not, in my opinion, a reason why it can not be done. I have never seen it undertaken since I have been in Congress but what, to my amazement and my sincere regret, any reform of this kind has always been opposed by the so-called leaders of both of the great political parties. Twenty years ago when the civil-service idea was practically new the appropriation of public funds to carry it on was once defeated in the House of Representatives for reasons which the Senator gives. I should like to get the Senator's candid opinion. Is it the Senator's judgment that this corporation, a part of whose duties are outlined in section 6 of the substitute bill, can not be made to operate without being controlled by politics?

Mr. WADSWORTH. I think it can not be, because it is part of a government.

Mr. NORRIS. That is a very frank statement. Therefore, because the Senator thinks that way, he is opposed to any provision trying to do it?

Mr. WADSWORTH. Not at all.

Mr. NORRIS. Would the Senator from New York entirely eliminate section 6?

Mr. WADSWORTH. No; not at all. It is an effort in the right direction, but I have no hope for its ultimate comprehensive success.

Mr. NORRIS. Let me ask the Senator another question. Suppose he were appointed a member of this board and the statute provided, as this bill proposes, that it should be the duty of the board to conduct its business without regard to politics; that it should give no attention to recommendations for political preferment in any case; would the Senator obey that law?

Mr. WADSWORTH. The Senator from New York would do his best to do so, but he doubts his powers of resistance, because he knows perfectly well that 90 per cent of his present colleagues in the Senate would be in his office within a week asking him to appoint somebody to a position under it.

Mr. NORRIS. That may be true, but would the Senator still lack courage and nerve to say to them, "You are asking me to do something illegal?" And what does the Senator from New York suppose would be their reply?

Mr. WADSWORTH. The Senator from Nebraska is putting me on trial as an individual, and I will say that I do not know.

Mr. NORRIS. I should like to put the Senator from New York on trial in that kind of a position, for I have confidence and faith in the Senator's ability, integrity, and honesty. If he were running such an institution and I appealed to him and said, "I want John Doe to be appointed as a surveyor down here;" and the Senator should ask, "What has John Doe been doing?" and I replied, "He has been working in a livery stable," and the Senator should then inquire, "Did he ever see a surveyor's instruments?" and I should answer, "No, but he has been a good Republican all his life; he has shouted for the straight ticket ever since he has been out of his cradle; he has always voted right; he is a Republican and I have got to have him appointed," would the Senator agree to that? Would the Senator comply with my request? Notwithstanding our long and friendly relations here, would not the Senator say to me, "Why, look at the law; the law says that to do what you ask would be illegal; it would make me a criminal if I should do it. Under the statute which Congress enacted I would be subject to removal from office; I would be subject to go to the penitentiary if I should do what you ask?" Would not the Senator then, if I still persisted, turn around and kick me out of his office?

Mr. WADSWORTH. Now, Mr. President—

Mr. NORRIS. I have no doubt as to what the Senator would do.

Mr. WADSWORTH. If the Senator has no doubt as to what I would do, he should not have asked me the question.

Mr. NORRIS. I should like to have the Senator's view about the matter.

Mr. GLASS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Virginia?

Mr. WADSWORTH. I do.

Mr. GLASS. I merely wish to observe that the Senator from New York might say that to me, but I do not think he would say it to the Senator from Nebraska. [Laughter.]

Mr. WADSWORTH. In any event, Mr. President, anything that this unfortunate person did under those circumstances would be subject to suspicion. In this body and in the Congress generally there are constant rumors of political influence being used; for example, in the management of the

Emergency Fleet Corporation. Every Senator knows that. I think the officers of that corporation resist those influences to the limit of their ability, but I know from personal observation they are under constant pressure. Now, the appointments under that corporation are not subject to civil service, and I know that when that corporation—

Mr. NORRIS. Why would it not help it if they were? Would it not be a good thing?

Mr. WADSWORTH. I do not know.

Mr. NORRIS. Would it not be a good thing if this great corporation could point to a statute containing the words that are in section 6 and say, "Here, Mr. Senator, you ask me to do something, although the law makes me a criminal if I comply with your request." Does not the Senator suppose that would remedy conditions?

Mr. WADSWORTH. The Senator has asked me a question to the effect, Do I not think it would be better if the employees of the Emergency Fleet Corporation were under civil service? I am not so sure that it would be better. The administrative officers of that corporation would then lose all choice in the matter of employing their own subordinates. That is a business undertaking. It is not an ordinary Government function. I am not opposing the provision.

Mr. NORRIS. If the amendment suggested by the Senator from Maryland, which appeals to me as being a good thing, does not reach what we aim to reach, if it detracts rather than adds to section 6, I would rather not have it; that is true. We are trying in section 6—and the committee worked diligently and very faithfully for a long time on this feature of the bill—to suggest a law that will take this business out of politics. That is the object; we want to get it clear out of politics; we want to keep it out; and we welcome any suggestion that will help take it out. I do not want, however, to cripple the organization.

I can see some force in what the Senator has suggested in regard to the Fleet Corporation. I am not contradicting him. I myself think it would be better if that corporation were under civil service; but I realize I may be wrong and the Senator may be right. It would, however, free them from some of their unpleasant duties. But this provision we have put in the bill with the thought that it would remove politics from the operation of the proposed corporation. The only objection to the amendment which strikes me as having any merit is that it might result in keeping inefficient men in office after they got in.

Mr. WADSWORTH. It certainly would.

Mr. NORRIS. I do not want to do that; but my understanding of the civil service law is that if it were enforced properly it would not have that effect, and I do not want it to have that effect.

Mr. WADSWORTH. I should like to resume, if I may, the trend of my alleged thought. I did not rise to attack section 6 or to attack the amendment offered by the Senator from Maryland. I opened my remarks by the observation that the colloquy between the Senator from Maryland and the Senator from North Carolina—and I might enlarge that and say the presence of section 6 itself in this bill—should go far toward exposing the vice of the Government attempting to run a business undertaking. If there were not a vice inherent in it, we would not see section 6 proposed; we would not hear of the amendment offered by the Senator from Maryland. The fact is we are frightened to death that politics will get into anything that the Government undertakes. So we attempt to fortify the agency we are about to set up against the injection of politics; and how do we fortify it? By robbing the men to be in charge of the organization, to be in charge of this business agency, of all discretion in the matter of selecting their own subordinates. So I say that we have two alternatives, each of them bad, and the Government operation of a business undertaking starts in, no matter which alternative we choose, severely handicapped; and it will always be so.

Mr. NORRIS. May I interrupt the Senator further?

Mr. WADSWORTH. I yield.

Mr. NORRIS. I do not believe the Senator is quite warranted in saying—and perhaps he did not say it, but I inferred that that is what he meant—that any private business not connected with the Government in any way is free from the vice that all the governmental organizations are subjected to on account of politics getting in. I think the Senator from Maryland has well said that every successful, honest business concern, as a rule, had some method similar, or somewhat similar, at least, to the civil service, depending upon the nature of its business, for the selection, promotion, and discharging of its employees.

Mr. WADSWORTH. Certainly; but the discretion rests with its officers and it is not imposed by others.

Mr. NORRIS. Exactly; but great business corporations, the great oil corporations, the great water-power corporations, even a private company such as would get control of Muscle Shoals and operate it for private purposes and for private gain without any idea of it being connected with the Government in any way, if devoid of any regulation of any kind, would be subject to the same criticism that the Senator makes against the proposed governmental corporation created under the bill.

How many United States Senators have gone out of this Chamber to become attorneys for oil companies in this city and elsewhere? How many members of the Cabinet, who never shone as attorneys anywhere in the field of litigation before any of the courts of the country, became shining lights as attorneys and were able to command huge salaries after they had a connection of some kind with the Government? In the case of nearly all great corporations such things have happened; they are occurring all the time. They have the right to discharge an employee. If a man went to one of them to repair a chair, or a woman went to their office to clean a window, they would have the supreme right of letting her in or discharging her whenever they saw fit. If, however, it came to a salary where \$100,000 were involved, and a United States Senator or a Cabinet member or some similar public personage had lost his office and was not employed, having been defeated by his own people, he could get a job there right away. Yet that is an example of the efficiency of private business that is never afflicted by any of the ills that it is charged beset corporations of governmental origin designed to perform a function of a public nature.

Mr. WADSWORTH. Mr. President, I am not quite sure whether the Senator from Nebraska was asking me a question or not.

Mr. NORRIS. I am not, either.

Mr. BRUCE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Maryland?

Mr. WADSWORTH. I will yield for a question.

Mr. BRUCE. If the Senator will allow me, I will make it plain that I am asking one.

I do not know whether the Senator has read the Underwood substitute or not. That expressly declares that the corporation contemplated by his substitute and all of its assets—

shall be deemed and held to be instrumentalities of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, and local taxation.

Then:

The directors, officers, attorneys, experts, assistants, clerks, agents, and other employees of the corporation shall not be officers or employees of the United States within the meaning of any statutes of the United States, and the property and moneys belonging to said corporation, acquired from the United States or from others, shall not be deemed to be the property and moneys of the United States, within the meaning of any statutes of the United States.

Mr. WADSWORTH. I am aware of that.

Mr. BRUCE. Does that provision, taking the directors, officers, attorneys, experts, and so on, entirely out of the scope of the Federal classified civil service or the principle of the Federal or merit system of appointment, meet with the concurrence of the Senator from New York? Is that the system that he would like to see inaugurated in case a power corporation is established by the Government?

Mr. WADSWORTH. I can give only one answer to the Senator from Maryland, and I may be the only person in the Senate who entertains this view. I think the whole thing is hopeless in the matter of efficient management. You may install your civil service and have it apply to your work managers, to your chief chemist, your chief transportation agent, and men who go out and do business in competition with men who are working for their living in competition in turn with others. You may apply civil-service rules to those, if you please; but do not hope to pay dividends.

Mr. BRUCE. Then the Senator would prefer the system under which he says, in case he were one of the directors of this corporation, the Senator from Nebraska and myself would be hammering at his door clamoring for appointments?

Mr. WADSWORTH. No, Mr. President.

Mr. CARAWAY. He would not give them to you.

Mr. BRUCE. Well, then, the Senator from New York is a much more resolute man than I am, I am bound to say, because the most difficult form of pressure that ever I have had to confront in my life is just that sort of pressure.

Mr. WADSWORTH. I was practically quoting the Senator from Maryland, paraphrasing what he had already said. No; I am not in favor of the spoils system.

Mr. BRUCE. I know the Senator is not. He could not be. Mr. WADSWORTH. Not at all.

Mr. BRUCE. The Senator could not be.

Mr. WADSWORTH. And for that reason, among others, I am utterly opposed to the Government going into commercial business.

Mr. BRUCE. I was just going to say, is not the Senator a little bit unduly influenced by that bias which he has against any governmental interference with private business, or anything that partakes of the nature of private business, which I share with him to a very great degree? That is my analysis of the conviction to which the Senator from New York is giving expression at the present time.

Mr. WADSWORTH. It is not for me to say whether my own views are extreme or not; it is for others to say. I hope, of course, they are not extreme.

Mr. BRUCE. Here is a case where you have to make the choice.

Mr. WADSWORTH. I have not been permitted to discuss this bill yet, or this general question of Muscle Shoals. I merely opened my remarks by saying that whenever we propose to put the Government into commercial business we are confronted with two desperately difficult alternatives, both of which I think are bad. We may do a little better by adopting one than by adopting the other, but there is little hope that by the adoption of either of them we shall escape the inherent difficulties in the Government operating a commercial business. I commenced to discuss this question along that line, and ever since then I have been asked whether I am a devotee of the spoils system or a devotee of rigid application up to the very limit of the civil service system. I think either the spoils system or the civil service system constitutes a terrible handicap to any business undertaking, but you have to take one or the other. That is all I have said on that question.

Mr. NORRIS. Then let me suggest, before the Senator leaves that subject, that we take the one that has the least evil in it and try to improve it, and see if we can not make it better.

Mr. WADSWORTH. All right.

Mr. NORRIS. Let us find out what is wrong about it, and, like men, meet that, whenever we find any wrong, and eliminate it.

Mr. WADSWORTH. Yes; assuming, of course, that we are committed to Government operation, I will join with the Senator from Nebraska, and the Senator from Maryland, and the Senator from Alabama in setting up every conceivable safeguard against the dangers to which all Government operations of commercial business are heir. It is going to be a long, long, uphill fight. Such a fight never has been won in the history of governments up to this hour.

Mr. President, the possibilities at Muscle Shoals are enormous. Long since I became a convert to the idea that they should be utilized for the benefit of the country at large; and I became even a more enthusiastic convert as I listened to some of the hearings before the Committee on Agriculture and Forestry last year, and read portions of the hearings as printed.

I think there will be developed down there an immensely valuable asset to the United States. We sit in committee, and we listen to testimony, and we debate upon the floor of the Senate, and we are apt to do a good deal of dreaming and prophesying, which at times is dangerous and certainly is never reliable; but the more we think about this thing the more we will be convinced that it is of the highest importance, and then in our second sober judgment, as it were, if we examine into it very, very carefully we will also be convinced that we are faced with a very complicated technical problem.

I would give a good deal if I were competent to discuss this matter before the Senate in all its technical ramifications. I will admit that in most respects that side of the discussion is over my head. Only a chemist or an engineer with the highest sort of education and the widest experience is competent to discuss the practical side of the problem which we are attempting to solve. I mean no impertinence to my colleagues in the Senate, but I have not heard it discussed in that way before the Senate. I wish it could be. None of us happen to have had experience, I suppose, equipping us for such a discussion. There are, however, one or two things which I might be permitted to refer to in connection with the bill reported by the committee and the bill offered by the Sen-

ator from Alabama which seems to me to be of sufficient simplicity to warrant my attempting to discuss them very briefly.

Let us assume that we are going to have Government operation at Muscle Shoals. That is the assumption of the so-called Norris bill. The bill introduced by the Senator from Alabama compels Government operation just so long as and until the Secretary of War can lease the facilities there. But for the moment let us assume that we are going to have Government operation of those immense installations. The bill reported by the committee divides the responsibility and the functions into two parts. The Federal Water Power Corporation provided for in the bill of the Senator from Nebraska is to take charge of the generation and distribution and sale of power generated at Dam No. 2 and later to be generated at Dam No. 3; and most of the bill, as I read it, is taken up with provisions setting forth the general policies under which the power shall be distributed and sold. Then the bill provides that the manufacture of the nitrogen or other chemical products to be used ultimately in the manufacture of fertilizers shall be done by another agency of the Government, this laboratory, which is in turn a subordinate agency of the Department of Agriculture; but I assume it is fair to say that ultimately the Secretary of Agriculture will be held responsible for the successful management of those plants and the manufacture of nitrogen through the air-fixation process.

Is it practical, from a business standpoint, to separate those two functions and have two entirely different agencies engaged in the work there and make both of them successful? I assume that we want to make this thing successful not only in the technical field of production but in the commercial field of production and distribution. We can not hope to make any money from the chemical industry there for several years to come. I think that is conceded by most of the witnesses who came before the Agricultural Committee. We have a right to hope to make money very shortly from the sale of power. So it is apparent that if we are to push the fertilizer side of it, the chemical industry side of it, with as little loss as possible, we ought to put back of that effort the whole strength and income from power development and sale. In other words, we ought to finance and sustain the chemical part by and with the power part. Otherwise, you will have the chemical part of it coming back to Congress for several years to come asking very, very substantial appropriations to make up the deficits in the chemical industry; and the income derived by power distribution and sale, bearing no relation financially to the chemical industry, will be turned into the Treasury of the United States.

There are very interesting and intricate questions of financial commercial management connected with this little problem that I have just tried to outline. There are a good many people very well informed on this subject who believe that the Government, if it is to embark on this thing as a Government operation pure and simple, would do better if it took the whole thing under one management—the sale of power and the manufacture and sale of chemicals—rather than dividing them between two agencies, with the necessary increase in overhead and the lack of that teamwork between the two which is essential.

Mr. President, there are some terribly technical sides to this matter, and I am going to read just a small portion of the testimony indicating it if I can find it.

Senators may know that I introduced a bill—and I am not going to discuss my bill this afternoon, at least—representing what was known as the Hooker-Atterbury-Wright offer. Those three gentlemen came before the committee, and I think I am not far off in saying that they probably brought to the Committee on Agriculture and Forestry more information on the intricacies of this problem than any other group that appeared before them.

Their frankness and candor and public spirit were apparent in everything they said. In fact, I think many members of the committee felt and still do feel very grateful to them for the light they threw on the problem, although the committee believed that another solution was better.

Mr. NORRIS. Mr. President, I think I ought to interrupt the Senator here by way of emphasizing something he is saying. Not all of the gentlemen the Senator has referred to, I think, gave us very much light, but Mr. Hooker did.

Mr. WADSWORTH. And Mr. A. H. Hooker, also, his brother, the chemist of the company.

Mr. NORRIS. Both of the Hookers. Of course, Mr. Atterbury is just an operative. He did not attempt to do very much there. But I do want to add to what the Senator has said in regard to these Hookers. They did give us a great deal of information and, as far as I was able to discern—and I tried

to find out—they were absolutely fair and absolutely frank in their testimony and did everything they could, I think, to help us, and they did assist us very materially. I think I ought to state that, although I am not in favor of accepting their proposition or in favor of the Senator's bill.

Mr. WADSWORTH. I am glad the Senator entertains those views. I happened to know he did, because he mentioned those sentiments to me during the last session.

Mr. FESS. Will the Senator yield?

Mr. WADSWORTH. I yield.

Mr. FESS. In case the Underwood substitute were adopted, permitting the Government to make certain contracts, would that forestall entirely the Hooker-Atterbury-Wright proposal?

Mr. WADSWORTH. I think it would not forestall anyone's right to make a proposal for a lease, but I anticipate that with the mandatory provision contained in the bill of the Senator from Alabama for the production of 40,000 tons of nitrogen annually, no one will come forward to attempt it. It would have to be done at such a big loss.

Mr. FESS. That would not be until the fourth year, as I understand it.

Mr. WADSWORTH. The fourth year. I may be mistaken. The art may change in the meantime, but as it stands to-day I doubt if any man, unless he be a veritable Croesus, will attempt to fulfill any such contract.

Mr. FESS. I have read the Senator's bill and have been somewhat impressed, but I thought that the substitute would still leave it open for consideration of that bill.

Mr. WADSWORTH. It does; yes. Then it is a question of business men talking with business men and one set of business men making up their minds about entering into such a contract.

I did not want to discuss the bill I introduced, however. I mentioned a few moments ago my belief that these two efforts should be under a single head and a single management in order to get the maximum of efficiency, the maximum of production of fertilizer, which, I think, is the primary objective in our thoughts to-day.

Mr. A. H. Hooker, the chemist of the Hooker Chemical Co., was asked a good many questions by the chairman and other members from time to time, which led to a pretty technical discussion of what he would do if he were put in charge of this place as the managing chemist, and I want to read one paragraph of the testimony, to indicate, if nothing else, how far over the head of the average Senator this whole thing is. I will admit it is away over my head.

The Senator from Nebraska [Mr. NORRIS], the chairman of the committee, said:

I want to find out whether by putting in this improved process—

Which is known as the Casale process—

that you have at Niagara Falls now operating, so you know it can be done, getting the same amount of nitrogen per year, you would save horsepower; and if so, how much?

The Senator from Nebraska wanted to know how much horsepower would be saved if this concern went down there and used their process, after, of course, developing and altering the plants through a period of time. Listen to what he said:

Mr. A. H. HOOKER. I will tell you just what I would do down there, Senator, exactly; if I went down to Muscle Shoals in connection with our people to operate the power and the nitrate plant down there, to operate it with the greatest economy and cheapest for the company and with the greatest returns from power and the cheapest fertilizer through an organization controlling both. The first thing I would do, if operating a modified Haber plant, would be to operate in connection with an electrolytic hydrogen plant, produce my hydrogen electrolytically, using such undistributed power as I had there, and using this 10,000 horsepower in connection with that plant, thus using more power than you would use in the cyanamide plant, in order to produce that hydrogen, because hydrogen, in any one of your processes, is the most essential element of fixation of nitrogen, and in making your fertilizer, or that part of your fertilizer, I would use that excess power, a large amount of power, during the time that I was building up a use and demand, changing from a low use of water power of seasonal power to a small consumption as the demand and means of distributing that power became better established so that the public at large wanted that power, and when there was that demand for the power I would change right around and go to distributing that power to the uses of the South as they should want it, and manufacture water gas and hydrogen and take coal and coke to make that fertilizer and reduce my power down to 10,000 or 12,000 horsepower instead of 100,000.

You can see that you have an awfully complicated proposition there. There are processes and modifications of processes involving the use of by-products in the chemical industry which have a most profound and controlling effect as to the amount of horsepower needed in fixing nitrogen from the air, and these gentlemen suggested to the committee many probable processes, many different schemes, which could be used to get the maximum of efficiency out of the water power and the maximum production of fertilizer at the same time. Their contention is—and I agree with them—that if you are going to get the maximum in both efforts, you had better put the two efforts under one management, so that one boss can say how much power shall be used for fertilizer manufacture, and that same boss say how much is surplus for distribution for other purposes of a manufacturing nature throughout that district. The changes and variations in the use of power necessary for the manufacture of fertilizer will be constant. They will be changed from month to month, and in my humble judgment it is essential that one management be in charge of the two efforts.

There is a lot more of this testimony which, as I said, is very technical, but by using one sort of process and making use of a certain set of chemical by-products, they can make the 40,000 tons of fertilizer ingredient by using only 12,000 horsepower. With another set of processes, and with the use of a different set of chemical by-products, and especially with the use of the cyanamide process of extracting nitrogen from the air, they will require 91,000 constant horsepower to get the 40,000 tons production per year.

In between the 12,000 horsepower requirement and the 91,000 horsepower requirement there are an infinite variety of processes and alternatives, but if the Government is going into this thing, I honestly believe we had better put the whole job under one man or under one agency. Do not separate them, because they are inextricably interwoven, and you have to put all the power side of it, all the resources of the power situation, back of the chemical side, to sustain it and push it financially in order to get all the fertilizer that can be gotten, and what we are after, I think, primarily is fertilizer.

If we go ahead and complete Dam No. 3, there will always be a very, very large amount of surplus power after the requisite amount of fertilizer is produced, for, as the Senator from Nebraska said yesterday, the tendency of the art of atmospheric fixation is in the direction of using less and less power to produce a unit of nitrogen. But there are so many ways of doing it, and they are of such a technical character that it will be pretty wise of us, I think, to put the whole effort under one management.

You will not get men to run this thing successfully for the Government—for, mind you, it is going to be one of the biggest industrial and commercial undertakings in America—with a salary limitation of \$7,500 a year. You might just as well lift off these limitations on pay, and go at this thing as you would go at any business. Hire the best man in the United States, no matter what he costs, because even if it costs you twenty-five or fifty thousand dollars more in salary for one man, with freedom of choice of that kind given to the management by the law of the Congress, he undoubtedly will save you fifty times his increase of salary in the expenses of operating the plant, or by way of gain in income, after it is put into commercial operation.

What is a \$50,000 salary when you are dealing with present assets of two hundred million, and which are bound to grow? If there is to be any success at Muscle Shoals at all, two hundred million will not measure the assets of that place 40 years from now. It will be much more than \$200,000,000. Let us stop limiting salaries in advance. None of us would do anything of the sort in our private business. No one of us, if he had a \$200,000,000 property, would advertise for a manager to run it for him and in the advertisement say, "I will not pay anybody more than \$7,500 a year." He would not get anybody.

Mr. FESS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Ohio?

Mr. WADSWORTH. I yield.

Mr. FESS. I am in sympathy with what the Senator has said in regard to Government ownership. I shy at it whenever it is suggested. But there are two things we have to keep in mind, one of which the Senator from Nebraska mentioned the other day, namely, monopoly in the case of private ownership. We must keep that in mind as one thing.

The second I would like to have the Senator give me some light on. This is a new thing, as he has suggested, like the

radio. We had no conception of what the radio was going to be. I have just been amazed, as everybody has, at the development in the last two years of wireless and its application. Under the Senator's plan would the public be assured of the advantage of new discoveries and inventions that are bound to come in the application of this principle?

Mr. WADSWORTH. If the Senator from Ohio refers to the plan of the Senator from New York, does he mean my bill?

Mr. FESS. Yes.

Mr. WADSWORTH. I was not discussing my bill.

Mr. FESS. I mean private ownership as against public ownership.

Mr. WADSWORTH. I was not discussing that. I can not quite answer the Senator's question now. I was making this plea, that if the Senate is going to vote for Government operation it put that operation all under one management.

Mr. FESS. I agree with that.

Mr. WADSWORTH. That is all I was arguing about then.

Mr. FESS. I agree with the Senator's salary argument.

Mr. WADSWORTH. Yes; but the Senator knows how it is. Somebody will complain if we pay a high salary. It becomes a political issue and it is stormed about in campaigns. Whatever administration pays some Government officer at Muscle Shoals \$25,000 a year will be attacked in the next political campaign for having done so. It is dragged into politics inevitably.

Mr. UNDERWOOD. If the Senator will allow me, I agree with all the Senator said about the difficulties of Government operation of any business proposition whatever. So far as the substitute I have offered is concerned, it looks first to private endeavor and an opportunity to get private endeavor; but when we have to provide for national defense, if private endeavor does not function, then we have to go to Government operation.

I want to call to the Senator's attention that the substitute I have offered puts the whole proposition of a Government corporation under one head absolutely and unequivocally, and that is the President of the United States, who can select five men in the United States for a board of directors, and if he gets the men who have the nerve and courage to do it they can keep it out of politics.

Mr. WADSWORTH. The personal equation is, of course, a very important factor.

Mr. UNDERWOOD. And in the last analysis that is all there is to it.

Mr. WADSWORTH. That is true. Persons come and go.

Mr. UNDERWOOD. If the President chooses five men who go there and run that plant as a business proposition under my substitute, it can be run that way. Of course, if he picks five men who will yield to the importunities of ourselves—and I want to say we all have to make requests for friends and constituents—then it is a wreck. I am in hopes the President of the United States may be able in an emergency of this kind to pick five men who are far removed from the political equation and who would run the plant purely as a business proposition.

Mr. WADSWORTH. Of course, I dare say that strong men could keep that political influence down to a very low minimum.

Mr. NORRIS. Mr. President—

Mr. WADSWORTH. If the Senator will pardon me, I am going to finish my remarks in just a moment. There is another element in it. Men working for the Government in a commercial undertaking never have the courage of men working for themselves in a commercial undertaking—never. They fear criticism. I know perfectly well, for example, that some of the officers of the War Department wanted to sell some of the surplus property of the department back in 1920 at what they thought then would be as much as they could ever get for it and sell it at private sale. The law did not govern at all as to how it should be sold. They did not dare make the sale, because they feared criticism from the Congress and elsewhere. So, being cautious and anxious to remain in the good graces of the coordinate branches of the Government, they kept the property and eventually got for it about half of what they could have obtained had they sold in the first instance.

Now, that is the instinct in most Government officials. It is always going to be a handicap. Occasionally we get a strong, two-fisted man who does not care a rap about who criticizes him, and he goes ahead. We are fortunate when we find them in executive positions. But the tendency, especially the longer they stay in office, is for them to become more and more cautious and to lose their initiative. We can make a success of Government operation if we can eliminate some of these inherent weaknesses on the personal equation side that so often

seem to be present. I do not say that the thing is utterly hopeless, but I do say, as I said in the beginning, that we start in with a desperate handicap and we have to build up slowly, slowly, and it all depends upon who comes and who goes. We can stand here to-day and talk about it, but I do not know, neither does the Senator from Alabama know, who will be here running this thing 30 years from now.

Mr. UNDERWOOD. I quite agree with the Senator about that. I agree that if we can get private endeavor to carry on the business, it is better to have it, but if we can not get that it has to be carried on.

Mr. WADSWORTH. Yes; I admit that.

Mr. UNDERWOOD. More than that, there are instances of public operation that have been successful. Lloyd's, the British insurance company, is the greatest insurance company in the world, controlled by the British Board of Trade, which is a government function. I do not say that politics does get into it, but still it is a governmental function.

Mr. WADSWORTH. Mr. President, I have been diverted from a further and brief discussion of this technical and complicated side of the problem. I want to add another piece of testimony in regard to the difficulty of running the chemical industry separate from the power side of it. Again I take it from Mr. Hooker's testimony. To the layman, as I am, this is very interesting, although I confess that I can not quite fathom all of the steps which he suggests. He said:

Perhaps at this point it would be well for me to make a little clearer some of the reasons why I believe it is in the public interest that some one of these opposing bids should be accepted as a whole with suitable modifications, and why it is not in the public interest to divide any of them in two, joining the power part of one to the fertilizer part of another, for instance; at least, if you are serious in trying to accomplish a great fertilizer benefit to the farmers of the country over a period of years and have a real influence on our national life.

Taking "firm" power and "seasonal" power lumped together there is about 324,000 horsepower at Dam No. 2, and on the same basis about 130,000 at Dam No. 3. Let us assume, for example, one sensible way of developing this enterprise; suppose we start making fertilizer by using all of plant No. 2 to make 40,000 tons of cyanamide ammonia, and work this in conjunction with phosphoric acid obtained from the electric furnace to produce the full amount of fertilizer. This would be a natural and quick way of getting plant No. 2 into operation. The combination would require, roughly, 280,000 horsepower, or practically the entire output of Dam No. 2, leaving 50,000 horsepower for sale. Suppose, then, for the next forward step you were to combine phosphoric acid from the electric furnace with electrolytic hydrogen, so as to get the same amount of fertilizer covered by the above. This would release plant No. 2 but would still require all the power output except 50,000 horsepower from Dam No. 2.

Suppose now we pass to the next stage of progress and secure our hydrogen from water gas instead of electrolytic hydrogen. We could now develop the same amount of fertilizer and release half of this power from Dam No. 2. Later we will pass to the production of the phosphoric acid by the fuel-fired furnace, and this will release the other half of the water power from Dam No. 2. We would then have the same amount of fertilizer developed as in the beginning, but we would only be using about 30,000 horsepower instead of 280,000, and this could be released from Dam No. 2 for general purposes in the South.

Now it is interesting to see that after this process had been followed the equipment developed for use during the early years would not be wasted but would be continuously available for use during flood periods and for seasonal power for perhaps six months of the year, using power that was not otherwise salable.

I outline this progressive development to show you how intimately and inseparably the manufacturing uses of power and the power development itself are interconnected, so that they can not be used to the public advantage unless they are under common handling.

There must be no mistake made about this, if you propose to achieve a large amount of cheap fertilizer delivered to the farmer. The driving force of the power production and earning must be back of the attempt to deliver fertilizer to the farmer.

I think Mr. Hooker is right. He has often said to me, as I think he said to the committee, "If the Government goes into this thing, rejects our offer and rejects the Union Carbide offer and rejects the Alabama Power Co. offer, for heaven's sake go into it under one management."

I merely present these considerations, Mr. President, without undertaking to discuss my bill at this time.

Mr. NORRIS. Was the Senator reading from Mr. Hooker's testimony?

Mr. WADSWORTH. Yes.

Mr. NORRIS. I thought his testimony, as I remembered it, reduced the amount of power to be used further than that

would indicate. I was wondering if the Senator had the figures right. I thought he got down to 10,000 horsepower.

Mr. WADSWORTH. He did with another step in the process.

Mr. NORRIS. The figure the Senator read would indicate he would stop at 30,000 horsepower.

Mr. WADSWORTH. In another step in the process he could go down to 10,000 horsepower.

Mr. NORRIS. Of course, Mr. Hooker argues for one control, because his bid depends on it. All the bidders want it that way, because they want to use the horsepower, the profitable part. Of course, it is only natural and the Senator, of course, appreciates that. The first bill I introduced left it all in one control. I was induced by members of the committee and others to change. I reached the conclusion that they were right and that we could do it more scientifically if we divided it. However, I will explain that later.

Mr. WADSWORTH. I do not intend to discuss the matter further, much less discuss any bill that I have introduced. It is my own judgment that we will get along faster, that we will spend less money in the first few years and get more for the United States in the great number of years to come within the 50-year period, if the Government goes into partnership with men who know how to do this kind of business.

Mr. CURTIS. Mr. President, I ask unanimous consent that when the Senate concludes its business to-day it adjourn until 12 o'clock Monday.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kansas?

Mr. UNDERWOOD. I would like to see this legislation pushed along. Does the Senator think we can expedite business in that way?

Mr. CURTIS. Three or four Senators have said to me that they want to discuss the matter, that they have not yet prepared themselves, and if they had until Monday they would be better prepared and probably would not talk so long. I have talked with Senators on both sides of the Chamber and thought perhaps we had better adjourn over to save time.

Mr. UNDERWOOD. I would like to see the legislation pushed to a conclusion as early as may be. The only difficulty about going on to-morrow is that if we should come to a vote there would be a good many absentees, and I would like to have a full attendance in the Senate when we vote. Under those circumstances I shall not resist the Senator's request.

The PRESIDENT pro tempore. The Chair hears no objection, and it is so ordered.

Mr. HOWELL. Mr. President, I would like to ask the Senator from New York a question if I may.

Mr. WADSWORTH. Certainly.

Mr. HOWELL. Do I understand that by the use of power to produce hydrogen by the electrolytic method and using that in connection with water gas, the amount of power necessary to produce, for instance, 40,000 tons of fixed nitrogen a year would be reduced to in the neighborhood of 10,000 horsepower?

Mr. WADSWORTH. I am only relying upon the testimony of the men who are doing that very thing. I do not know anything about it from my own experience.

Mr. HOWELL. The purpose of my question is this: It may be the power is a mere incident to the production of fixed nitrogen.

Mr. WADSWORTH. Some of it will always be necessary.

Mr. HOWELL. Some of it will always be necessary, but what I mean is that the power is an incident. If we get down to 10,000 horsepower to produce this amount it would be a mere incident to the operation. Therefore, does it not suggest itself to the minds of Senators that we may be giving away this great power to somebody for profit when ultimately only a very small fraction of it may be needed to produce fertilizer?

Mr. WADSWORTH. The Senator must have in mind there is to be an everlasting limit of 40,000 tons of fertilizer per annum. I think the thing will go to 400,000 tons with improvement in process and increase in power going on at the same time.

Mr. HOWELL. It limits the amount to only 40,000 tons.

Mr. WADSWORTH. We do not limit the amount; that is a minimum.

Mr. HOWELL. We make the minimum 40,000 tons.

Mr. WADSWORTH. That figure was discussed because that was the figure of the original Ford offer, and the committee in asking the witnesses questions asked them, "How much power is it going to take to produce 40,000 tons a year?" The 40,000 tons was merely used as a standard, a measure of the amount. That happens to be the capacity of the cyanamide plant at

this time, but that is not a limit; it is a minimum. I think the sky will be the limit eventually.

Mr. HOWELL. I was thinking of the proposal of the Senator from Alabama [Mr. UNDERWOOD], that it might result in this great plant being used for the distribution of power only, and merely 10,000 horsepower being utilized for the production of fertilizer. Would not the Senator and the Congress in general feel that the best use had not been made of this great power if it were turned over to some company that might ultimately only use 10,000 horsepower in the production of fertilizer?

Mr. WADSWORTH. No one has made that suggestion, either in a written offer or in testimony.

Mr. HOWELL. I am merely suggesting what might be done.

Mr. WADSWORTH. That is up to the Government.

Mr. HOWELL. If the Senator and I had a power plant and it were our purpose to make money and we found that we could make more money by merely making 40,000 tons of fixed nitrogen a year by some method that only required 10,000 horsepower, and then could go on to sell all the remainder of that great power and make a great profit in that way, our purpose being to make money, that is the way we would do it. We would not go on and make more fertilizer; we would proceed to operate that plant to our best advantage. Are we not to assume that that is the way the Muscle Shoals plant will be operated by anybody who takes it over?

Mr. WADSWORTH. Not unless the Government deliberately permits it; and I do not think anybody will assume that the Government will permit such a thing.

DEATH OF REPRESENTATIVE EDWARD CAMPBELL LITTLE

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 359) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. EDWARD CAMPBELL LITTLE, a Representative from the State of Kansas.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect, this House do now adjourn.

Mr. CURTIS. Mr. President, I offer the resolution which I send to the desk, and ask unanimous consent for its consideration.

The resolution (S. Res. 274) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. EDWARD CAMPBELL LITTLE, late a Representative from the State of Kansas.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF REPRESENTATIVE SYDNEY E. MUDD

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 360) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. SYDNEY E. MUDD, late a Representative from the State of Maryland.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect, this House do now adjourn.

Mr. BRUCE. Mr. President, I submit a resolution, and I ask unanimous consent that it may be considered at this time.

The resolution (S. Res. 275) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. SYDNEY E. MUDD, late a Representative from the State of Maryland.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF REPRESENTATIVE WILLIAM STEDMAN GREENE

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 361) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. WILLIAM STEDMAN GREENE, a Representative from the State of Massachusetts.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect this House do now adjourn.

Mr. BUTLER. Mr. President, I offer the resolution which I send to the desk, and ask unanimous consent that it may be immediately considered.

The resolution (S. Res. 276) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM STEDMAN GREENE, late a Representative from the State of Massachusetts.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. BUTLER. Mr. President, as a further mark of respect to the memory of the deceased Representatives, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously made, to Monday, December 8, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, December 5, 1924

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father and our God, as we wait in the solemnity of this moment do Thou hear our prayer. Unto Thee we look at day dawn and find our rest at evening time. Persuade us that the abiding realities of moral and spiritual being are found in a godly life. Do Thou sustain us in every effort to make a better world and to bring good cheer to mortal beings. Assure us of Thy presence, of the comfort of Thy care, and the blessing of Thy forgiveness. By calm and fortified understanding may we serve our country and help our fellow man. Consider, O Lord, and let the light of Thy wisdom fall upon the pathways of our duty. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had insisted upon its amendments to the bill (H. R. 71) entitled "An act authorizing the Cowlitz Tribe of Indians, residing in the State of Washington, to submit claims to the Court of Claims," disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon and had appointed Mr. HARRELD, Mr. CURTIS, and Mr. KENDRICK as the conferees on the part of the Senate.

The message also informed the House of Representatives pursuant to the provisions of House Concurrent Resolution 30 the President pro tempore had appointed the following Senators as members of the committee on the part of the Senate to arrange for the joint meeting of Congress in commemoration of the life, character, and public service of the late President Wilson: Mr. SWANSON, chairman; Mr. FERNALD, Mr. KEYES, Mr. COUZENS, and Mr. PITTMAN.

LEAVE OF ABSENCE

By unanimous consent, Mr. ROGERS of Massachusetts (on request of Mr. FROTHINGHAM) was granted indefinite leave of absence, on account of illness.

DEPARTMENT OF INTERIOR APPROPRIATION BILL

Mr. LONGWORTH. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10020) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1926, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. SANDERS of Indiana in the chair.

The Clerk read as follows:

For salaries and expenses of such attorneys and other employees as the Secretary of the Interior may, in his discretion, deem necessary in probate matters affecting restricted allottees or their heirs in the Five Civilized Tribes and in the several tribes of the Quapaw Agency, and for the costs and other necessary expenses incident to suits instituted or conducted by such attorneys, \$40,000: *Provided*, That no part of this appropriation shall be available for the payment of attorneys or other employees unless appointed after a competitive examination by the Civil Service Commission and from an eligible list furnished by such commission.

Mr. HOWARD of Oklahoma. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and gentlemen of the committee, this Congress is right now engaged in appropriating a lot of money for the benefit of the Bureau of Indian Affairs, based principally on a report made by the officers of that bureau. After having lived amongst the Indians since 1889, it is my opinion that there is more money wasted and more sins committed in public matters in the name of the Indian than in the name of any other parties with which this Congress has to do, except, possibly, it be in the name of the farmers. I think there is a little information due the Congress from the Bureau of Indian Affairs as to some discrepancies that exist and to which I want to call attention.

I note, Mr. Chairman, that in the report of the chairman of the subcommittee to this House one day this week, in a table, compiled evidently from a report made by the Bureau of Indian Affairs—that report being on page 83 of the CONGRESSIONAL RECORD of December 3, 1924—that according to it there are now in the State of Oklahoma 117,364 Indians. Now, Mr. Chairman, I note also from volume 3, page 829, of the census of 1920, that according to the census of the United States compiled by the Census Bureau there were in the State of Oklahoma, as shown by that census, only 57,337 Indians, as compared with 117,000 reported to this Congress by the Bureau of Indian Affairs. I think this Congress, when it is making appropriations for the purpose of caring for the Indian Bureau, should have some information as to just how many Indians are being cared for. The facts are, Mr. Chairman, that the Indian Bureau, including the Muskogee office of the Five Civilized Tribes, so far as the Muskogee office is concerned, is, as a matter of fact, caring for the business of only 16,859 Indians, that being the number of restricted Indians that are on the rolls of the Five Civilized Tribes. And yet, in my opinion, for the purpose of enlarging their appropriations and for the purpose of carrying on the rolls a larger number of employees than is actually needed either in the department here in Washington or at Muskogee, they have never stricken from the rolls of the Five Civilized Tribes an Indian since those rolls were made up, and Congress by that is led to believe that this bureau is caring for the business of 117,000 Indians, when, as a matter of fact, they are caring for the business of only 16,859 Indians, the majority of whose property is in value limited and probably the amount they expend in caring for the Indians' property is three or four times what it would bring in average interest if it were drawing interest.

I want to say to the Congress that I think we are entitled to a report. I want to express the opinion here, further, that this condition as to statistics from the Bureau of Indian Affairs is presented to this Congress for the purpose of, and is responsible for, unnecessary expense to the people of the United States and the employment of unnecessary help in the Indian Bureau in Washington and in the city of Muskogee. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

INDIAN LANDS

For the survey, resurvey, classification, and allotment of lands in severalty under the provisions of the act of February 8, 1887 (24 Stat. L. p. 388), entitled "An act to provide for the allotment of lands in severalty to Indians," and under any other act or acts providing for the survey or allotment of Indian lands, \$50,000, reimbursable: *Provided*, That no part of said sum shall be used for the survey, resurvey, classification, or allotment of any land in severalty on the public domain to any Indian, whether of the Navajo or other tribes, within the State of New Mexico and the State of Arizona, who was not residing upon the public domain prior to June 30, 1914.

Mr. HILL of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HILL of Washington: On page 20, between lines 17 and 18, insert: "For payment of certain local taxes to the

counties of Stevens and Ferry, in the State of Washington, on allotted Colville Indian lands, as provided by the act of June 7, 1924, \$91,470.33."

Mr. CRAMTON. Mr. Chairman, I reserve a point of order against the amendment. I will say, in order to save time and dispose of the point of order, that I note the gentleman has cut the amount some \$25,000 or \$26,000 from what was estimated by the Budget. I would assume he is deducting the amount that has been paid as tuition for Indian children in the schools of those counties.

Mr. HILL of Washington. Will the gentleman yield?

Mr. CRAMTON. Yes. I am asking that of the gentleman.

Mr. HILL of Washington. Yes. I take from the chairman's speech on Wednesday of this week the figures included there, as given him by the Bureau of Indian Affairs, as being the amount of tuition paid to these counties, Ferry and Stevens, respectively, and I have deducted the total of those two items.

Mr. CRAMTON. Has the gentleman information as to whether the other condition precedent of the act of 1924 has also been complied with? Has it been determined that the rate of tax that would be accomplished by this payment to those counties is no higher than similar property in white ownership is now paying and has paid?

Mr. HILL of Washington. I will say to the gentleman that in the hearings before the subcommittee there were submitted unofficially made-up tax rolls to embrace the allotted lands in these two counties involved in that particular bill, employing the same rates as the official rates of tax levy for the years covered in the claims. This was made in the respective counties and based on valuations of lands in the same localities and of similar character to the allotted lands, and I want to refer the gentleman further to a statement included in the report of the inspector who made the investigation in the field and reported back the result of his investigation to the Secretary of the Interior in the following language:

The sources of evidence used by me indicated that the amounts placed upon the Indian lands are just if the assessments against the white lands are just.

I will say to the gentleman that when the committee that heard this matter, the subcommittee of the Committee on Indian Affairs, at the last session of Congress, when the bill to authorize this payment was under consideration, was holding hearings thereon these documents were submitted to the subcommittee for inspection—that is, the official tax rates were taken and the values were placed on a parity with similar lands in the localities where the allotted lands were situated.

Mr. CRAMTON. Mr. Chairman, I will make the point of order in the interest of economy of time, and the point of order is this: There is no law authorizing the expenditure that is proposed in the amendment offered by the gentleman from Washington except the act of June 7, 1924. The act of June 7, 1924, provides:

That the Secretary of the Interior be, and he is hereby, authorized and directed to make certain payments: *Provided*, That there may be deducted from said amounts by the Secretary of the Interior such sum or sums as he may find have been paid to said counties for Indian tuition; also the excess, if any, after the rate based on the value of Indian allotments may be found to be in excess of the rate on taxable lands.

The statute governing this matter does not authorize, necessarily, the appropriation of \$115,000. It contemplates a reduction of that amount by two items; first, the amount of Indian-school tuition heretofore paid in those counties and, second, deduction of any excess involved in a higher rate of taxes being applied to these Indian lands than to similar white lands. The hearings disclose the fact that the Secretary of the Interior has not since June or since this law became effective made any examination of the question as to the tax rates. As to the matter of the payment of tuition, the records are in his office, and as I understand it is covered by the deduction that the gentleman from Washington has made, and I do not raise any question as to that; but as to the tax rates, an obligation is placed on the Secretary to make that investigation. The investigation has not been made by the Secretary under the statute. The only appropriation we are authorized to make is an appropriation subject to such reduction as the Secretary of the Interior would find necessary under that provision of the act of 1924, but the amendment before us proposes a flat appropriation of some \$90,000 and disregards that provision of the statute.

Mr. WINGO. Will the gentleman yield for a question?

Mr. CRAMTON. In a moment. I want to make this one suggestion first: If the gentleman desires to include authority to the Secretary to do as the act of 1924 authorized, then I do not think it would be subject to a point of order, and I would not desire to make a point of order.

Mr. HILL of Washington. I will be very glad to have that inserted; in fact, that was my understanding of the authority already given by the act of 1924.

Mr. CRAMTON. Yes; the authority is given by the act of 1924, but not preserved in the gentleman's amendment. The gentleman's amendment disposes of that matter. If the gentleman desires to add a proviso providing that the Secretary of the Interior shall deduct from such payment such excess, if any, as shall result from the rate based on the value of the Indian allotments above the rate based on taxable land, such an amendment would not be subject to a point of order, and I have no desire to be overtechnical or prevent the gentleman having a hearing.

Mr. HILL of Washington. I will be very glad to ask for a modification of the amendment in order to embrace that.

Mr. CRAMTON. Then, Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. Does the gentleman from Washington desire to modify his amendment?

Mr. HILL of Washington. Yes, Mr. Chairman, I desire to modify my amendment to embrace the proviso in the language suggested by the chairman of the committee.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to modify his amendment in the manner indicated, and without objection the amendment will be made and the clerk will report the amendment as modified.

There was no objection.

Mr. WINGO. Will the gentleman from Michigan yield for a suggestion?

Mr. CRAMTON. Certainly.

Mr. WINGO. May I direct the gentleman's attention to the fact that the reference to the act in the amendment in question says "as provided by that act"? I suggest instead of having a proviso, if after the figures "91,000" there is inserted "or so much thereof as may be necessary," you will have your limitation beyond any question. The gentleman's amendment does not say "as authorized by," but "as provided by."

Mr. CRAMTON. I am not sure how it would be construed if the gentleman's amendment put that in as a reference to the authorization for the appropriation. I am not sure it would be construed to carry with it the restrictions of the original provision. I am sure that this would reach the matter.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. HILL of Washington: On page 20, between lines 17 and 18, insert:

"For payment of certain local taxes to the counties of Stevens and Ferry, in the State of Washington, on allotted Colville Indian lands, as provided by the act of June 7, 1924, \$91,470.33: *Provided*, That from such sum the Secretary of the Interior shall deduct an amount to equal the excess, if any, in the rate based on the value of Indian allotments as compared with the rate on taxable lands."

Mr. HILL of Washington. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. HILL of Washington. Mr. Chairman, I want to direct my remarks to certain specific objections made by the chairman of the committee in his speech before the House on Wednesday of this week touching the particular item involved in the amendment I have offered. I want to refer first to this language in the remarks of the chairman of the subcommittee. After quoting section 2 in the act of July 1, 1892, which provides, among other things, that the Secretary of the Interior from time to time shall pay out of the special fund created by that act moneys for the maintenance of schools for such Indians and for the payment of such local taxation as may be properly applied to the land allotted to such Indians as he shall think fit, so long as such allotted land will be held in trust and exempt from taxation, and so forth.

Then the chairman proceeds with this language:

That is to say, it authorized these payments in lieu of taxes from the tribal fund if sufficient was available.

Now, I want to call the attention of the committee to the fact that the special fund referred to is not a tribal fund, and was never considered a tribal fund by the Congress. That the act of 1892 did not recognize in the Indians on the Colville Reservation any right, title, or interest in the lands restored by that act to the public domain or the land still occupied by them in that reservation. That provision will be found in section 8 of the act of July 1, 1892, and section 8 reads as follows:

That nothing herein contained shall be construed as recognizing title or ownership of said Indians to any part of the said Colville Reservation, whether that hereby restored to the public domain or that still reserved by the Government for their use and occupancy.

As a matter of fact, they did not follow the report of the commission which had negotiated the agreement with the Colville Indians. They ignored the agreement and did not comply with any of its terms, but simply restored the land of the Colville Indians in the north half to the public domain without any agreement or recognizing any right of the Indians in the lands restored or to the moneys realized from sales of the lands so restored as a tribal fund.

Now, I want to call the attention of the committee in that connection to section 2 of the act of July 1, 1892, a part of which is as follows:

That the net proceeds arising from the sale and disposition of the land to be so opened to entry and settlement shall be set apart in the Treasury of the United States for the time being, but subject to such future appropriation for public use as Congress may make, and that until so otherwise appropriated may be subject to expenditure by the Secretary of the Interior from time to time in such amount as he shall deem best in the building of schoolhouses, the maintenance of schools for such Indians, for the payment of such part of the local taxation as may be properly applied to the land allotted to such Indians as he shall think fit so long as such allotted land shall be held in trust and exempt from taxation—

And so forth.

If this was a tribal fund, then the Government of the United States would not have authority to appropriate that money to other public uses. In other words, it would have no authority to appropriate it to be used for any purpose other than for the benefit of the Indians; it would have authority only to hold it in a special fund for the benefit of the Indians and for appropriations in their interest. But authority is given to appropriate the money for public use such as Congress may thereafter determine, and hence it could not be a tribal fund.

Now, I want to refer in that connection to a statement contained in a decision by the Comptroller of the Treasury found in 21, Decisions of the Comptroller of the Treasury, page 765, as follows:

The report herein referred to is the report of this commission which negotiated the agreement with the Indians. The decision stated:

The record indicates that after holding the report about six months Congress took—

The word "took" is italicized—

by the said act of July 1, 1892, without consideration or compensation to the Indians what the previous Congress had sought to secure by cession from the Indians through agreement, ignoring both the substance and fact of the agreement, except in so far as it seemed expedient to copy in part without credit the diction of the agreement in the statute enacted.

In 1906, June 21, 15 years after the report of the commission was submitted, Congress passed an act which complied in part with that agreement and provided for the payment of one and one-half million dollars to the Colville Indians for one and one-half million acres of land in that north half.

Not until that time was the agreement entered into with the Indians by this commission recognized by Congress, and only through that act was any money paid to the Indians as tribal money for lands situated in the north half of the Colville Reservation. This special fund was created, and it was the money of the Government of the United States, but the act of Congress provided that out of that Government money in this special fund there should be paid or might be paid, as the Secretary of the Interior saw fit, money for the building of schoolhouses and the maintenance of schools for the Indians, and for the payment of such part of local taxation on Indian allotments as might be properly applicable thereto; but it was Government money all of the time, it was not tribal funds. This special fund stood, according to the terms of the act, until Congress should dissipate the fund or find other uses for it through an act of Congress, and no act of Congress has ever

been passed dissipating or taking the money out of that special fund or discontinuing that special fund. Hence that special fund still stands as a matter of law, although as a matter of fact in January, 1915, under a decision of the Comptroller of the Currency, through a matter of bookkeeping in the Treasury Department, I take it, this fund was discontinued on the books and was either covered into the General Treasury or perhaps placed in the reclamation fund. I am not advised as to which of those two things happened, but so far as any act of Congress is concerned that special fund still stands.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. HILL of Washington. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HILL of Washington. It is disclosed in that official document that the moneys accruing to this special fund from July 1, 1892, to June 21, 1906, amounted to \$123,017.66, and that the moneys accruing to this special fund from June 21, 1906, to January 31, 1915, amounted to \$271,661.12, or a total to January 31, 1915, of \$394,678.78. Under the act of 1906 the Congress authorized the payment to the Colville Indians of the sum of one and a half million dollars in payment for the one and a half million acres of land which had been restored to the public domain in that reservation, and the Indians were charged with the amount of this special fund, \$271,661.12, or that amount was deducted from the \$1,500,000, or at least was so recommended by the Comptroller of the Treasury in his decision; so that that amount was restored to the special fund, and should at this time stand in that special fund, because that special fund has never been discontinued. They restored to that special fund out of this \$1,500,000 the amount of money that had accrued to the special fund from June 21, 1906, to January 31, 1915, when, as a matter of bookkeeping, the special fund as a separate item was discontinued; so that there should be in that special fund as Government money, not as Indian money, \$271,661.12, at least, because that much of the money accruing to that special fund has never been either otherwise appropriated or paid out to the Indians, and there is ample money in this special fund to pay the amount of the claims we are presenting now through this amendment which we offer.

I call attention again to the fact that this is not tribal money. If the committee is making any point on the fact that it is tribal money out of which this claim should be paid, I claim that was not in contemplation when the act was passed; that there was no tribal money provided by the act of July 1, 1892, and there never has been any tribal money placed in that fund, but that this money was to be paid out of the fund which belonged to the Government of the United States at all times, and I contend that the proposition that it should be paid out of the tribal fund is not well taken.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. CRAMTON. Mr. Chairman and gentlemen of the committee, I have no desire to resort to any technical objection to this item, because the matters of Indian tuition and the rate of taxation are minor matters; but there is involved in this amendment offered by the gentleman from Washington [Mr. HILL] a very large proposition. Whatever merit there may be in his contention should be reached in an entirely different way. If there is merit in his contention, it should be worked out in a different way. The proposition as it is now presented means not a matter of \$90,000 but several million dollars, if the precedent which would be established by the adoption of this amendment should be followed logically in other cases.

The situation is this: These Indians had some lands. The land was sold and a fund was created, and the act of 1892, which the act of 1924 is supposed to be carrying out, contains a provision which I shall directly call to your attention. The gentleman from Washington intimates that the act of 1892 did not intend this money to be taken from tribal funds. Please note that the act of 1892 provides that these moneys so received from the sale of the lands should be—

Sec. 2. * * * set apart in the Treasury of the United States for the time being, but subject to such future appropriation for public use as Congress may make, and that until so otherwise appropriated may be subject to expenditure by the Secretary of the Interior from time to time, in such amounts as he shall deem best, in the building of schoolhouses, the maintenance of schools for such Indians, for the payment of such part of the local taxation as may be properly

applied to the lands allotted to such Indians as he shall think fit, so long as such allotted lands shall be held in trust and exempt from taxation, and in such other ways as he may deem proper for the promotion of education, civilization, and self-support among said Indians.

That act of 1892 authorized those funds of the Indians to be paid for the benefit of the Indians, and also for payments in lieu of taxes, and we are not protesting against that use of the money of the Indians. The proposition before us is to take the \$90,000, not out of the Indian funds but out of the Treasury of the United States. The gentleman from Oklahoma [Mr. CARTER] probably knows more about Indian affairs than any other man in this country, and he fully indorses my statement. I think the gentleman from New York [Mr. SNYDER], the chairman of the Committee on Indian Affairs, will also indorse my statement.

I think that every man here who is at all familiar with conditions in the West will indorse my statement to this effect: That if you once start in taking money out of the Federal Treasury to make payment in lieu of taxes where Indian lands are held exempt from taxation in counties and States—if you once start on that program and carry it out logically without partiality, it will cost us millions of dollars. It is an important matter that is before you now. What I am protesting against is making any such precedent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAMTON. I shall ask for five additional minutes. And I will ask to be allowed to proceed without interruption in order that I will not take up too much time.

Mr. McKEOWN. Did the money pass—

Mr. CRAMTON. I am going to talk about that. I read the speech of the gentleman from Washington in the RECORD the other day, and I heard his remarks just now. But my friend from Washington is under a misapprehension as to the facts of the case. He said:

It is set apart in this special fund for the use to which I have referred. It is to stay in that fund until Congress shall otherwise appropriate it. There was accumulated in that fund from 1900, when the Indian reservation was opened by proclamation of the President, until some time about the year 1915, a little less than \$400,000. A part of that money was spent in building schoolhouses and maintaining schools for Indians, and no part was spent for local taxation or for the building of roads or any improvements that went to the civilization of these Indians. It stayed in that fund, and Congress never appropriated it for any other purpose, but the Comptroller of the Treasury, without any act of Congress, covered it into the General Treasury of the United States, and it went into the reclamation fund.

Now, I phoned the Indian Commissioner, calling attention to the statement, and I have this letter from him, which came to me as I came on the floor this noon. Now, please note:

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington.

MY DEAR MR. CRAMTON: In response to your informal inquiry regarding the receipt and disposal of funds involving the north half of the Colville Indian Reservation in the State of Washington, the records of the office show that from the total sum of \$1,500,000, appropriated by Congress to pay the Indians in full for 1,500,000 acres of land, a per capita payment of \$500 was made to the Colville Indians approximating \$1,134,000—

That went directly to the Indians—

the sum of \$60,000 was paid on account of attorneys' fees and the remainder, except a balance of \$9,240.92, now to the credit of the Indians in the Treasury was expended for the benefit of the Indians in accordance with the terms of the appropriation act.

A million and a half dollars was turned over to them, and has gone to their benefit directly, except \$9,000, and now the gentleman's contention arose from this other proposition—but the letter further says:

Under a decision rendered by the Comptroller of the Treasury dated April 27, 1915, copy herewith, it was held that the proceeds of land sold prior to the act of June 21, 1906 (34 Stats. 377), belonged to the Indians and all proceeds of lands disposed of subsequent to the act of June 21, 1906, belonged exclusively to the United States and not to the Indians; consequently, all such proceeds were covered into the Treasury as miscellaneous receipts.

That is to say, sales before a certain act went to the benefit of the Indians, and sales after a certain act went to the benefit of the Treasury.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CRAMTON. I will ask to proceed for five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. CRAMTON. Mr. Chairman, I want to make this point clear, that the gentleman's amendment proposes to take money out of the Treasury for the payment of these taxes, and that we must absolutely resist or we start upon a very ruinous course. Any merit there is in the gentleman's proposition, and I am not prepared to say there is much or little, is involved in the question of whether land sold after June 21, 1906, or rather the proceeds from that land should have gone into the Treasury or to the benefit of the Indians. Now, the way to settle that question is to settle it. It is not to have mere dribbles out of the Treasury to pay taxes and establish this undesirable precedent. The thing to do is to have an act of Congress correcting any mistake that was made in the disposition of these funds from lands sold after 1906.

Now, it has come to me just as I was coming on the floor, and I have not had a chance to study it. I do not know whether the covering of this fund into the Treasury after 1906 was right or not, but I wish the gentleman from Washington, instead of starting in to take mere dribbles out of the Treasury, would introduce a bill to have the subject brought to a focus and pass upon the whole matter.

Mr. McKEOWN. Will the gentleman yield?

Mr. CRAMTON. I will.

Mr. McKEOWN. The gentleman talks about precedent. Can the gentleman say whether or not the United States Government paid Jersey City, N. J., money to recompense the city for the taxes on the German-American docks taken from them?

Mr. CRAMTON. I hope the gentleman will not attempt to fight the war all over or anything else. If it is any satisfaction to the gentleman, I will say I do not know.

Mr. HILL of Washington. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. I yield.

Mr. HILL of Washington. The gentleman states that he has not had time to read the decision of the comptroller. I just want to direct my question to the statement contained in the letter there to the effect that the proceeds accruing from this fund prior to June 21, 1906, belong to the Indians, those accruing subsequent to that time belong to the Government. I read that statement recently, and I read it several times recently, and I very respectfully submit that that is a conclusion, in my judgment, which is not borne out by the facts.

Mr. CRAMTON. Let me suggest to the gentleman from Washington this: The gentleman contends that his justification is in some diversion of the funds into the General Treasury that should have been retained as a special gratuity for the Indians. Now, is not the thing to do, instead of starting in to make an appropriation directly out of the Treasury, as the gentleman's amendment does, to bring a bill before consideration of the Committee on Indian Affairs for the determination of the question as to whether one or two or three million dollars has been diverted? After establishing the fact that there has been a diversion and that you have that fund then a conclusion can be arrived at.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. CARTER. The gentleman speaks of this being determined through the jurisdiction of the court. Is that the way it is to be determined?

Mr. CRAMTON. Either through the court or through the Committee on Indian Affairs. In any event, it should receive careful consideration. Let me illustrate. The gentleman from Washington is probably familiar with it. He reads the opinion and gets one view of it. The Commissioner of Indian Affairs is also familiar with it, and he gives a different opinion. Is the House ready here to inferentially and indirectly pass upon the claim of these Indians for two or three million dollars, not to speak of disposing of this as a precedent?

Mr. HILL of Washington. My contention is that that was a special fund created by the act of 1892, and the only way it can be done away with is through an act of Congress such as this.

Mr. CRAMTON. But the statement of the bureau was that one million and a half was all that was due to the Indians under the act of 1892, and all of that except \$9,000 had been spent for their benefit.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SUMMERS of Washington. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Washington moves to strike out the last word.

Mr. SUMMERS of Washington. Mr. Chairman, this seems to be a very complicated situation for us to pass upon here on the floor of the House, but I want to call your attention to the fact that this has been before the Committee on Indian Affairs of the Senate several times in the last few years. It has been passed upon favorably by the Indian Committee in the Senate, and twice passed the Senate, and has been passed upon favorably by the Indian Committee of the House. It was then submitted to the Congress, and was passed by this House, and passed by the Senate, and signed by the President. It has been three times approved, or rather it has been approved by three different Secretaries of the Interior, and has been passed by the Director of the Budget.

I would like to know if, at this stage of the game, we are going to undertake to say that none of them understood the situation, and that we should reverse the action and the judgment of all of them at this time? I think we are too far along with this thing to undertake that in this sort of way here in the House.

Mr. CRAMTON. An illustration of that sort of situation is given by the letter of the Secretary of the Interior of April 5 last, presented in the Indian Committee report, when he says that the claim is based on the act of 1892. Did not that act require payment out of the tribal funds, whereas the act of 1924 approved required the payment out of the Treasury?

Mr. SUMMERS of Washington. Bringing up questions here that have been passed upon repeatedly by deliberative committees and asking us to reverse all of them at this time seems to me very inadvisable. I admit that sometimes things slip by the attention of a committee and points are overlooked. But does it seem probable that three different Secretaries of the Interior would be mistaken about this, that the House Indian Affairs Committee would be mistaken, and the Senate Committee on Indian Affairs would be twice mistaken, and that it would be passed by the Senate and by both branches of Congress, and then slip past the Director of the Budget, that iron man down there, you know, who does not pay attention to anything except to hold down appropriations?

I am very much in favor of the amendment. I think the amendment offered by my friend from the State of Washington is entirely fair. He is willing to eliminate all that has been paid in the way of tuition. He puts a further limitation on, as provided in the legislation passed here last spring, at the last session of Congress. All of that is put into his amendment, and I believe the amendment should be adopted by the House.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

Mr. CARTER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Oklahoma is recognized.

Mr. CARTER. As I understand this situation, an act of Congress was passed providing for the ceding or sale of the north half of the Colville Reservation in the State of Washington, the proceeds to be used for certain purposes specified in the act. Any part of the sum could be used for either of those purposes, and all the sum could be used for either of the purposes under the language.

Now, the only question, as I understand it, for us to determine here is whether or not all that money has been used for either one of these three purposes. If it has not been used, then certainly it may be used for taxes. It could be legally used for taxes. It would be appropriate to use it for taxes. It would be just to the Indians and to all parties concerned to use it for taxes. But if that money has been consumed for either one of the purposes specified, then certainly we would set a very dangerous precedent, as stated by the gentleman from Michigan [Mr. CRAMTON], when we go into the Federal Treasury and appropriate as a gratuity money to pay taxes on Indian lands that have been exempted. If that policy is pursued, it will cost \$50,000,000 every year to do justice to the State which I have the honor in part to represent, Oklahoma; and to pay taxes on Indian exempt lands there would cost perhaps more than that in Arizona, and as much in New Mexico and South Dakota and Idaho, and other States having Indian lands. So that I think we might well hesitate before we undertake to set any such dangerous precedent. I realize fully that the Indian Committee of the House has passed upon this proposition.

Mr. HILL of Washington. Mr. Chairman, will the gentleman yield?

Mr. CARTER. If our friends on the Indian Committee can recall the facts in the case, I should be very glad to hear from them and get such information as they can give on the subject. But until I get such information I feel very reluctant about establishing any dangerous precedent now.

Mr. HILL of Washington. Will the gentleman yield?

Mr. CARTER. Yes.

Mr. HILL of Washington. The gentleman has referred to precedents. Does the gentleman have in mind the peculiar language in this act of July 1, 1892, providing for the payment of such local taxes, and that such language is not contained in any other similar act?

Mr. CARTER. Well, I have not any particular language in mind at all in any act. The only thing I have in mind at present is this, as I have just tried to make clear, that I believe in keeping any agreement or understanding we have with the Government's wards—the Indians. If we agreed that certain of their funds should be used to pay taxes for certain purposes and we have not done that, then we should do it; but if those funds have been used and exhausted, then certainly we have not the right to go into the Federal Treasury and use money for any of the purposes mentioned in the act.

Mr. SNYDER. Will the gentleman yield?

Mr. CARTER. Yes.

Mr. SNYDER. The gentleman has made reference to the fact that this bill has been before the Indian Affairs Committee. I will say to the gentleman that for seven years this bill has been in various forms before the Indian Affairs Committee and has been discussed many times. The last time was the first time it was ever considered of enough importance to send it to a subcommittee to investigate. In the closing of the session the subcommittee reported favorably upon this bill, but the committee as a whole had no time to go into an investigation of it to any very great extent. I have always had my doubts about the propriety of passing such legislation, and I concur heartily in what the chairman of the subcommittee and the gentleman from Oklahoma [Mr. CARTER] have said with reference to the matter. I think there is a question of grave doubt in that bill as to whether the amount should be paid.

Mr. CARTER. That satisfies me about it.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word, because I want to get this matter of precedent straight. If gentlemen want to set a precedent, then I would have no objection if it is going to be a precedent that is going to be adhered to in all parts of the country.

The Representative from Hoboken, N. J., has a bill here, which has been favorably reported, to refund to Hoboken money in lieu of taxes, due to the fact that the United States Government took over the German-American docks at Hoboken during the war.

Now, it may not be wise to set a precedent for the House, but there is something about it that does appeal to the average man as not being wholly fair to a large city or community to exempt large properties from taxation and at the same time allow those owning the property to enjoy the same privileges that the men who bear the burdens enjoy. Now, it does not appear to me to be fair for Congress to pass a bill providing that any citizen should receive all of the privileges and all of the protection which others receive and his property receive the same protection without paying any taxes.

Mr. CRAMTON. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. CRAMTON. In the gentleman's State, Oklahoma, there are great areas of Indian lands withheld from taxation but enjoying the blessings of which he speaks, and do I understand the gentleman from Oklahoma to say he feels we ought to appropriate from the Federal Treasury an amount equivalent to or in lieu of those taxes?

Mr. McKEOWN. I did not say that.

Mr. CRAMTON. Does not the gentleman feel we ought to treat Oklahoma as favorably as Washington?

Mr. McKEOWN. I want to show you the difference between the situations. Here is a case where the money was set apart and where the Government arbitrarily, as I see it and as I understand it, put some money into its own Treasury, and that we have not gone ahead and carried out the agreement to apportion the money to the different uses for which it was set apart. Now, if the Government does that these counties and municipalities should not lose on account of the act of some officer of the Government who goes beyond his powers or contrary to the law.

Mr. CRAMTON. If the gentleman will permit, it is a question whether that has been done or not. If it has been done, is not the proper thing for us to do to correct the whole error rather than to fuss away with this \$90,000?

Mr. McKEOWN. I think the gentleman should do as he is in the habit of doing, straighten it out right now without having to wait all these months and months in trying to get a bill through to do what ought to be done now.

Mr. CRAMTON. If the gentleman is correct, there is \$1,500,000 due them, while it is the contention of the Indian Bureau that only \$9,000 is due.

Mr. McKEOWN. The proposition is this: If you are not going to set a precedent to provide for the payment of money out of the Treasury of the United States in lieu of taxes due on large pieces of property then, of course, if you make the rule apply to all of the United States equally, nobody has any right to complain, but if you do not make it apply equally, of course, we have a right to complain.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. The question is on the amendment offered by the gentleman from Washington [Mr. HILL].

The question was taken; and on a division (demanded by Mr. HILL of Washington) there were—ayes 17, noes 48.

Mr. HILL of Washington. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Washington [Mr. HILL] demands tellers. Those in favor of ordering a vote by tellers will rise and stand until counted. [After counting.] Not a sufficient number, and tellers are refused.

So the amendment was rejected.

The Clerk read as follows:

INDIAN LANDS

For the survey, resurvey, classification, and allotment of lands in severalty under the provisions of the act of February 8, 1887 (24 Stat. L. p. 388), entitled "An act to provide for the allotment of lands in severalty to Indians," and under any other act or acts providing for the survey or allotment of Indian lands, \$50,000, reimbursable: *Provided*, That no part of said sum shall be used for the survey, resurvey, classification, or allotment of any land in severalty on the public domain to any Indian, whether of the Navajo or other tribes, within the State of New Mexico and the State of Arizona, who was not residing upon the public domain prior to June 30, 1914.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word.

I would like to ask the chairman in regard to expenditures for allotments in the paragraph just ahead of the one read for the survey, resurvey, classification, and allotment of lands in severalty, and so forth. The appropriation is \$50,000, and I would like to ask the chairman if any provision was made in connection with that or at any other place in the bill for the allotment required under a decision of the Supreme Court of the Quinault Indian Reservation.

Mr. CRAMTON. The item the gentleman refers to is on page 20 and is the general item for survey, resurvey, classification, and allotment of lands in severalty?

Mr. JOHNSON of Washington. Yes.

Mr. CRAMTON. And the gentleman asks is there any specific item for the allotment of the lands of the Quinault Indians.

Mr. JOHNSON of Washington. I will state it a little more explicitly.

Mr. CRAMTON. There is no specific item in the bill in reference to the Quinault Indians.

Mr. JOHNSON of Washington. The Supreme Court, in a decision rendered a few months ago, decided that the land in the Quinault Indian Reservation, whether agricultural or chiefly timber, had to be allotted. This is a large reservation. At one time some 600 allotments were made ready. This was 15 years ago. The markings, I understand, are now imperfect, and much of the land is unallotted. Now arises the question of proceeding to the allotment under the Supreme Court decision, and the statement is continually made to me in response to my requests on behalf of those who desire allotments that the Indian Office has no funds and that this allotment now required by the decision of the Supreme Court can not be made until that office has funds. I was prepared to go before the committee and make a showing in respect to that.

Mr. CRAMTON. Has the gentleman asked the Indian Office whether the funds provided for 1926 would take care of his situation?

Mr. JOHNSON of Washington. I do not know where to find out about the fund unless it is this item of \$50,000.

Mr. CRAMTON. The Indian Office would know exactly. If the matter the gentleman has in mind is in regard to the survey or resurvey or classification or allotment of lands in severalty under the act of 1887, or any other act, this would be wide enough to cover it.

Mr. JOHNSON of Washington. Except that the money here proposed to be allotted would not be enough.

Mr. CRAMTON. The money might not be sufficient. A question addressed to the Indian Office as to whether they have included something in their estimate for your particular situation would give the desired information. They would know better than I would. At the hearings their statement was that the amount allotted for the use of the Land Office, according to the figures received in that office, have been apportioned for 1925 and included \$3,000 for the State of Washington, and in apportioning survey funds made available for use during the fiscal year 1926 it was intended to allow not less than \$40,000 for work to be done under the supervision of the General Land Office in the allotment of this money; but there is no exact statement as to what lands in the State of Washington are to be cared for, and I can not answer about that.

Mr. JOHNSON of Washington. I have made inquiry. The Assistant Secretary of the Interior paid a visit this summer to western Washington, including a trip to the Quinault Reservation. He was in consultation with the superintendent of the various tribes in that part of the country, and thereafter stated that the allotments could not be made until funds were provided. I am simply bringing the matter to the attention of the chairman. It is a matter of administration, including the necessary appropriation by Congress.

Mr. CRAMTON. I will say to the gentleman from Washington I will be very glad to get some exact and definite information for him. All I could give him now would be speculation, but I will later get the exact information for him.

Mr. JOHNSON of Washington. That is much the same situation I am in myself. The allotment matter has to be considered. Timber on this reservation is probably worth \$7,000,000, some of it being sold under long-term contract, a partial allotment started 15 years ago and then stopped by a ruling that the land could not be allotted unless it was chiefly agricultural. The Supreme Court has reversed that ruling and ordered the allotment. How are we going to do it? Are we going to put a \$1,500 a year allotting agent out there to handle that great property? Who is going to take care of and close the rolls? It is quite a problem and one that should be discussed in some detail by some committee of this House.

Mr. CRAMTON. On inquiry at the Indian Office I learn the matter the gentleman from Washington mentions is under consideration, and a supplemental estimate to cover it is likely to follow.

The CHAIRMAN (Mr. CHINDBLOM). Without objection, the pro forma amendment is withdrawn, and the Clerk will read. The Clerk read as follows:

For necessary surveys and investigations to determine the feasibility and estimated cost of new projects and power and reservoir sites on Indian reservations in accordance with the provisions of section 13 of the act of June 25, 1910, \$1,000.

Mr. TAYLOR of Colorado. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Colorado offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of Colorado: Page 29, line 2, after the figures "1,000," insert: "for reconnaissance work along the upper waters of the San Juan River, in La Plata County, Colo., to determine the water supply available for irrigation of lands in that vicinity by gravity and to determine whether or not such supply can be augmented by the impounding of flood waters and whether there are any feasible reservoir sites should investigations develop the feasibility of impounding such flood waters for irrigation purposes, \$10,000. Said sum; or any part thereof, that may be expended for this work shall be charged to lands that may hereafter be benefited by reason of these investigations and before any development pursuant to investigations made under authority of this act shall be carried out, the Secretary of the Interior shall execute with the landowners to be so benefited contracts providing for payment of the money expended."

Mr. CRAMTON. Mr. Chairman, if the gentleman from Colorado will yield, the amendment the gentleman has offered is an amendment which has been discussed with the Indian Office and which I have talked over with him.

Mr. TAYLOR of Colorado. Yes. I have used the language that we discussed with the officials of the Bureau of Indian

Affairs at the time of the hearings on this project and since that time.

The hearings before our subcommittee pertaining to the Pine River project on the Southern Ute Indian Reservation, in La Plata County, Colo., disclosed that the irrigation system was originally constructed by the Indians, but, due to inefficient methods and the rough topography of the country, it has required many changes and repairs, and the department urges an appropriation sufficient to rehabilitate that work. The commissioner also sets forth that a suit has been brought in the United States court at Denver for the purpose of preventing infringements by the whites upon the water rights of the Indians.

When I was down in southern Colorado this last fall a large number of ranchmen living adjacent to the Pine River came to see me at Bayfield and very earnestly presented the seriousness of the situation. Mr. Meritt, the Assistant Commissioner of the Bureau of Indian Affairs, stated before our committee that his bureau would look with favor upon the authorization of an investigation of the reservoir possibilities and of an appropriation of this amount to ascertain the cost of the construction of storage reservoirs sufficient to furnish the necessary amount of water to supply all the white settlers as well as the Indians, and that is the object of my amendment.

I am in hopes that the engineers of the Interior Department may during the next spring and summer make a thorough investigation of practical reservoir sites and also the flow of water throughout the season in that drainage section and ascertain whether or not there is sufficient water flow to supply all the needs of both the whites and Indians.

This situation is of very great importance to the welfare of that southern part of my State. In fact, the suit has a far-reaching effect generally to southwestern Colorado. In fact, it affects directly or indirectly every resident of the San Juan Basin and the drainage of the streams crossing the reservation; that is to say, practically all of the population of that part of southwestern Colorado.

Personally, I feel that this appropriation could not be made as a charge against the lands ultimately benefited, because both the whites and the Indians have absolute rights there, and it does seem to me that it comes squarely within the principle adopted by Congress concerning the Yakima Indian Reservation, in the State of Washington. I notice in Senate Document No. 337, Sixty-third Congress, second session, volume No. 5, pages 23 to 26, where a joint commission on impounding water on the Yakima Indian Reservation project was appointed, under section 23 of the Indian appropriation act approved June 30, 1913. That commission reported December 20, 1913. This document sets forth a condition almost identically parallel to this, and in pursuance to that report Congress passed an act approved August 1, 1914, which appears in the United States Statutes, Sixty-third Congress, volume 38, part 1, page 604, providing for the appropriation of money for the construction of waterworks to supply the Yakima Indians for the water taken away from them by the whites. And in this bill we are now considering is an item of \$11,000, which has also been carried in this bill for several years past, for the benefit of the Yakima Indians, in pursuance with that act of Congress.

While this suit referred to only directly affects those residing in the Pine River Valley, the same condition exists as to all the other streams in southwestern Colorado lying west of the Continental Divide. If the theory of the Government in this suit is correct, it practically nullifies and repudiates the State laws, giving preference to users of water for domestic purposes, such as our towns and cities; that is, if the theory of that suit is correct, the Government can not only take away the waters heretofore appropriated by the ranchmen and whose rights have become vested under the constitution and laws of Colorado and have been in active use unmolested for many years, but the Government could also take for the irrigation of Indian lands the waters appropriated and used by our towns and cities.

It does seem to the people of southwestern Colorado that there can be no justice or equity in the Government now attempting to deprive the people who have developed all of that country of the results of their many years' labor and expenditures and pioneer hardships. The Government has consistently and continually offered inducements for the people to settle upon and develop the lands throughout the country, and the Government has received the money for the payments on the lands and has encouraged the expenditure and improvements upon the lands and ditches and has formally approved the water rights acquired thereby.

The Indians and whites on the Pine River have gotten along with difficulty, I understand, and up to the present time there has been sufficient water for both the whites and Indians, and we see no immediate cause for the bringing of this suit.

The worst feature of the litigation is that the mere bringing and the pendency of this action has practically destroyed the credit of all those farmers and made it practically impossible for them to secure loans upon their lands irrigated from the Pine River.

It does seem to me that this situation presents a case that is entirely parallel to the one referred to on the Yakima Indian Reservation, in which Congress has recognized the rights of the whites to their appropriations and has appropriated money out of the Federal Treasury every year toward enlarging the water supply to make it sufficient for both the Indians and whites without working any hardship upon either. And in this case reservoirs of sufficient capacity can be provided at comparatively modest cost to fully supply all the immediate and future needs of the Indians for their lands; but the independent farmers have not the means and can not build these reservoirs, and they should not be required to do it, and they certainly can not secure the means to build such reservoirs under any circumstances with the present litigation pending. By the construction of those reservoirs the Government can fulfill to the very utmost every obligation it may owe to the Indians with respect to providing water for the irrigation of their lands, and it can allow the white settlers to retain what both the Government and the State of Colorado have allowed and approved and induced them to believe they were obtaining by their settlement and development.

The seriousness of the situation presented by this litigation is very fully set forth in a letter to me from the Durango Exchange, of Durango, Colo., which is the leading business men's organization of all southwestern Colorado, and I think their suggestions and information upon this subject are worthy of careful consideration by Congress. The letter is as follows:

THE WESTERN COLORADO CHAMBER OF COMMERCE,
Durango, Colo., October 3, 1924.

HON. EDWARD T. TAYLOR, M. C.,
Washington, D. C.

DEAR SIR: Your attention is called to the suit recently instituted in the District Court of the United States for the District of Columbia, sitting at Denver, No. 7736, and entitled "The United States of America, plaintiff, v. The Morrison Consolidated Ditch Co. et al., defendants."

In the suit the Government claims and demands the absolute first and prior right to the use of 212 cubic feet of water per second direct from Pine River, and one additional foot from Dry Creek, a tributary of the Pine River emptying into that stream near Ignacio, Colo.

This demand is not founded upon any claim of prior appropriation or application to beneficial use, but is based upon the theory that under the several so-called "treaties" made by the Government, and particularly the treaty ratified by Congress June 15, 1880 (21 Stat. 199), and the act of February 20, 1895 (28 Stat. 677), the Government impliedly agreed to and did reserve for use upon the Indian lands whatever water might at any time thereafter be required for their irrigation, and reserved and held the absolute right to take and use upon such lands the entire flow of the river, if necessary, regardless of the loss or damage to ensue, even though it mean the utter ruin of the settler, who, at the invitation of the Government, had invested his all, and had spent years of hardship in improving and reclaiming the theretofore barren, fruitless, and desert lands.

The present case involves, as we are advised, some 150 or more defendants, and threatens great damage, if not ruin, to every resident of the Pine River Valley from its head to the Colorado-New Mexico line.

It is asserted the contention of the Government is supported by the cases of *Winters v. U. S.*, 28 Sup. Ct. Rep. 210; *U. S. v. Conrad Co.*, 161 Fed. 829 and 156 Fed. 128; *U. S. v. Morrison*, 203 Fed. 364; and other cases.

On the other hand, it is contended that none of these decisions are controlling.

But it is not our purpose to discuss the legal propositions but to call your attention to what we consider the uncalled-for hardship and rank injustice of such procedure in this instance.

Whether the Government on the one hand or the settlers on the other might win in the end, these things we think deserve consideration by the Interior Department in determining whether a better method of settling all controversies may not be reached.

(a) These farmers are mostly men of small means; like farmers elsewhere, they have under conditions recently prevailing for several years operated at a loss which has practically wiped out all previous profits.

They are unorganized and without machinery for a combined, common defense to the suit.

(b) The Government has for years been gathering its data and formulating its plans, collecting and arranging its evidence, making its surveys, etc., with unlimited means at its disposal.

A proper preparation of the defense and proper trial of the case will involve an expenditure far beyond the combined resources of the defendants.

(c) The institution of this suit, threatening as it does to take away water rights, without which their lands would revert to their original desert condition, has affected, if not destroyed, their ability to raise by loan any money to conduct their defense.

(d) It appears from the complaint in this suit that beginning with the year 1877 and continuing until now the defendants and their predecessors in interest "have from time to time constructed numerous ditches and diverted water from the Pine River and its tributaries for the irrigation of their lands."

And such settlement and ditch construction was made at the invitation of the Government (which encouraged the reclamation of these desert lands), and was under and in conformity with Government and State laws and regulations.

(e) The defendants have some equity; the Government owes them an obligation no less weighty than its obligation to the Indians.

(f) The Government can fulfill to the utmost its obligation to furnish water to the Indians (if such obligation exists) without the slightest injury or injustice to anyone by the construction of reservoirs to conserve the flood waters of the river.

Such flood waters are more than ample to care for every need of all the Indian lands for all time to come, and can be constructed at a moderate cost, but a cost beyond the reach of these defendants.

(g) Several such reservoir sites have already, as we are informed, been surveyed by the reclamation and Indian departments, and we believe the Government is now in possession of surveys, plats, details, and information sufficient to enable it to determine with substantial accuracy the cost of construction of reservoirs amply for all needs of the Indians now or hereafter.

Why can not such reservoirs be constructed? We ask no favors for the white settler as against the Indian, but we do ask that all stand upon the same basis. Where Indian ditches have actually been built let their priority, as the priority of the white man, be based upon priority of diversion and application to beneficial use.

We believe it would be simple justice if the Secretary of the Interior will include in the Budget an amount sufficient to build these reservoirs and ask Congress to make the necessary appropriations.

In the meantime we suggest that the mere pendency of this suit, with the apparent effort to force it to an early issue, is working an untold hardship upon the hundreds who have in good faith accepted and acted upon the invitation of the Government to purchase and reclaim these lands.

May we ask you to give prompt and serious consideration to our suggestions?

Very respectfully,

THE DURANGO EXCHANGE,
By CHARLES E. HALL, Secretary.

I may add that the local attorneys of southwestern Colorado feel that the Winters case, in the Supreme Court, referred to by Mr. Meritt, is not, strictly speaking, applicable to the conditions prevailing upon the Pine River. And in support of that position they have called my attention to several cases, as follows: 166 Fed. 128; 143 Fed. 740; 148 Fed. 684; 230 Fed. 277; 240 Fed. 274; same case, 39 Supreme Court report, page 40; 234 Fed. 95; same case, 246 Fed. 112.

I have not had time to look into them carefully myself. I desire also to state in the records that I personally know the conditions upon that project, and in pursuance of my conference with the settlers I have asked the Interior Department and the Indian Bureau and the Budget Bureau to approve my application to them for their indorsement of an appropriation for \$10,000 to make a thorough investigation of the situation and a survey and estimate of the cost and feasibility of reservoir sites in the Pine River Basin sufficient to supply all the water necessary for the future use of the Indians and whites in that basin. And the Interior Department has so recommended to the Budget Bureau. In the meantime I have asked the Interior Department to request the Department of Justice to suspend further action in this litigation until such report is made and until Congress may have reasonable opportunity to take action in the matter, and I understand that recommendation has been made to the Department of Justice.

I believe that such an appropriation and expenditure would come thoroughly within the provisions of what is known as the Snyder Act—Public No. 85, "An act authorizing appropriations and expenditures for the administration of Indian affairs, and for other purposes." (42 Stats. p. 208, pt. 1, approved

November 2, 1921.) Under the provisions of that act, "For extensions, improvement, operation, and maintenance of existing Indian irrigation systems and for development of water supply."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado.

The amendment was agreed to.

The Clerk read as follows:

For commencement of construction work on a dam across the canyon of the Gila River near San Carlos, Ariz., to be hereafter known as the Coolidge Dam, for the purpose, first, of providing water for the irrigation of lands allotted to the Pima Indians on the Gila River Reservation; and, second, for the irrigation of such other lands in public or private ownership as in the opinion of the Secretary of the Interior can be served water impounded by said dam without diminishing the supply necessary for said Indian lands as provided for in the act approved June 7, 1924 (43 Stat. L. pp. 475, 476), \$450,000, to be immediately available: *Provided*, That said sum, or so much thereof as may be required, shall be available for purchase and acquiring of land and necessary rights of way needed in connection with the construction of the project: *And provided further*, That the total amount appropriated shall be reimbursed to the Treasury of the United States in accordance with said act of June 7, 1924.

Mr. CRAMTON. Mr. Chairman, I do not think we need to settle the affairs of the State of Texas up here. They seem to be able to settle them themselves, although they have a lot of trouble in doing it. I have some sympathy with the gentleman, the Governor of Texas, or any other citizen who desires to be in the limelight in competition with our colleague from Texas. [Laughter.]

But the item before us results from a suggestion of eminent members of a different party from that of the President. It was deemed by them desirable, and I do not believe there is anyone but what would agree to that, except the gentleman from Texas. If the gentleman from Texas really is opposed to that language in the bill, as he has manifested by his speech, it seems to me his proper course is to bring the matter before the committee by an amendment and let us see how many will agree with the gentleman from Texas.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. SNELL. It in no way affects the cost of the dam.

Mr. CRAMTON. Absolutely not.

Mr. SNELL. The remarks of the gentleman from Texas have nothing to do with that feature of it.

Mr. CRAMTON. They have nothing to do with any economy program.

The Clerk read as follows:

For maintenance and operation of the irrigation systems on the Flathead Indian Reservation, in Montana, by and under the direction of the Commissioner of Indian Affairs, including the purchase of any necessary rights or property, \$10,000 (reimbursable).

Mr. EVANS of Montana. Mr. Chairman, with regard to the question of the appropriation for the Flathead Indian reclamation project, I beg to suggest to the committee that the language carried in this bill differs from the language of the preceding bill in that this provides only for maintenance and operation of this project. It is a \$7,000,000 project, and I think about \$5,000,000 have been expended. The Congress has annually appropriated an average of about \$250,000 until last year. Last year the Budget Committee recommended \$300,000. The House committee recommended only \$50,000. In a compromise between the House and the Senate \$150,000 was appropriated. This year provision is made in the bill only for maintenance and operation and no money is appropriated for a continuation of the work.

I do not think this project is thoroughly understood by the House or by the committee, or perhaps by the department, and if you will bear with me I am going to suggest there was in Montana for many years what is known as the Flathead Indian Reservation. It consisted of a territory in a basin, not perhaps unlike this Hall, consisting of about 1,000,000 acres of land. Some 20 years ago the Government, through its Congress, conceived the idea of embarking upon the proposition of opening this reservation, and by a bill passed through the Congress it was provided that the Indians, about 2,000 in number, should take their lands in severalty—40 or 80 acres, as the case might be—and that the remainder of the agricultural lands of that reservation should then be subject to homestead entry by homesteaders, white people, at an appraised value.

The Government appraised the land at \$1.50 to \$7 per acre, so that the homesteader had to pay anywhere from \$1.50 to \$7

per acre, depending upon the appraisalment of the individual land he took, and then had to comply with the homestead law for a period of three or five years, as the case might be. Then the Government found in the lower part of this great basin about 150,000 acres of agricultural land that might be irrigated, and it embarked upon the plan of reclaiming that land. Part of this land had been taken by the Indians as their individual allotments, part of it had been taken by the white men as homesteads, and the Government said, "We will withhold title to these homesteads until this land is reclaimed and then, when the citizens have paid their fair share of the cost of reclamation, we will give them title and we will charge to the Indians a like amount, prorated for his acreage within the arid strip of territory that is being reclaimed." So this is not primarily an Indian project.

The larger portion of these arid lands that are being reclaimed was homesteaded by white men. The reservation was opened in 1908, and these people went on the reservation 16 years ago with the understanding made by the Government of the United States and the Congress of the United States that we would reclaim the lands and would reclaim them in a reasonable time and would give these people title to the land upon payment of the cost of reclamation. It was estimated by the engineers of the Bureau of Reclamation that it would cost about \$40 to \$45 per acre. We now find that when it is completed it will cost considerably more than that, and that is largely brought about by the fact that the Government has not conducted the matter in a businesslike way. It appropriated about \$200,000 a year, or perhaps \$250,000 or \$300,000 a year on an average, for 15 years upon a project that will cost \$6,500,000 or \$7,000,000 and then we complain that we get nothing back. The truth is the overhead charges in conducting a business transaction like that of \$7,000,000, with an expenditure of \$300,000 a year—the overhead charges and the waste represent about half the amount of money that has been spent on the project. These people have been there 16 years waiting for the Government to comply with its implied contract. They can not get title to their land. The State of Montana can not even tax the land. They can tax the improvements put upon it, but they can not collect taxes for the land, because the title is in the Government of the United States, and yet the Government of the United States will not go on and carry out its implied contract, at least to reclaim these lands.

The Government has spent now four and a half to five million dollars upon this project, and the recommendation of the committee is that we spend no more money. This recommendation is based upon the fact that the committee feel the people are not using the water to the extent it is susceptible of being used, and I suspect, in some degree, there is merit in that contention. They are not using it to the extent it is susceptible of use; why? Many factors enter into it. A man who has 40 acres of land can not improve the whole 40 acres of land the first year for irrigation purposes, or perhaps for two or three years.

Again, the turnover of the people upon that land has been very considerable. Men can not live always upon barren land waiting for the Government to do something. So that the first man moves off and sells his improvements to his neighbor or some newcomer or some one else, and he in turn stands it for four or five years and then he himself moves off, and naturally the turmoil and disturbance is very great, and for that reason there is not as much water used as would otherwise be if the matter had been completed in a businesslike way. It is incomprehensible, gentlemen, that the Government of the United States should put four and a half or five million dollars in an uncompleted project and then absolutely abandon it.

The truth is the Government has not got the water yet. They have got water in spots. To my personal knowledge there are 7,000 acres of land lying contiguous to the little town of Ronan that is claimed to have been reclaimed. The ditches are there, but back in the mountain the reservoir is not sufficient to supply the water to fill those ditches to irrigate that land in the irrigation season, so there are 7,000 acres of land which, of course, did not pay any revenue last year and will not pay any next year if they do not furnish water, and it will not pay if water is furnished one season and not furnished the following season, because farmers can not carry on a successful business under such circumstances. No manufacturer or any other business man could exist if every other year his business goes to pieces; of course he accomplishes nothing.

In August of this year I visited a considerable portion of this project, and I found miles of ditches and two reservoirs

as dry as this floor, because the storage capacity is not sufficient. For the last half dozen years I have been annually urging this Congress to make adequate appropriation to build storage reservoirs. Of course until an adequate supply of water is furnished these people can not be expected to make any returns to the Government.

The Appropriations Committee, which brings in this bill, recommend no appropriation to continue work on this project. Such a course is unwise and unbusinesslike. It is unjust to the people who for 16 years have waited for the Government to comply with its promises. It is unjust to the Congress itself to discontinue a worthy project under such circumstances. There are 20,000 people now living on what was the Flathead Indian Reservation; a considerable part of these people are dependent largely upon the reclamation of these lands for sustenance, and yet it is proposed by this bill, without any notice whatsoever, to discontinue this work.

It appears to me that if the committee and Congress are not satisfied and feel that something should be done by the people on this project before more money is expended, then the better plan would be to make an appropriation, with a limitation upon the same, providing that the money should not be spent until the conditions are complied with.

But the committee do not ask that. They simply cut off all appropriations for the further development of this project.

The discontinuance of this work for even a year means added expense and hardship to these people which in the end they must pay. I have no doubt that the actual additional expense will be more than \$100,000. It means that the whole working force must be broken up, moved, and disintegrated, the engineers and the office force discharged or sent to some other point, the steam shovels and similar equipment shipped to some other point or disposed of, the horses and mules used in this construction to be sold at a sacrifice, only to be repurchased or replaced at some future time at an additional price. The lumber, cement, and other necessary supplies for carrying on the project will deteriorate or disappear, so I think I am well within reason when I suggest the actual loss by a year's delay will be \$100,000. The potential loss in crops and produce will be twice as much more. It is a manifest injustice that should not be imposed by this Congress upon any body of American citizens, and I appeal to the sense of justice of the Members of this House to make a reasonably adequate appropriation to continue this work. I protest against even a temporary abandonment of this project.

Realizing the temper of this House to-day and the futility of attempting to amend the bill at this moment, I am not offering an amendment, but I am simply protesting against the passage of this bill without adequate appropriation for this project. I have consulted with other members of the Montana delegation who agree with me in the course I am pursuing. I am hopeful, however, that the Senate will so amend this bill that when it eventually becomes a law it will carry the necessary appropriation to warrant a belief in the completion of the project within a reasonable time.

Mr. CRAMTON. Mr. Chairman, I rise in opposition to the pro forma amendment. The questions involved in these Montana Indian irrigation projects are very important and very serious. A year ago the committee sought to go into it, and the department was woefully lacking in the information that they ought to have. We assumed—and we had a right to assume—that this year they would be better equipped to enlighten the committee, but this year I think, if anything, they knew less than they did a year ago. I refer now to anybody who could come before the committee. No doubt the information is out in Montana.

Mr. EVANS of Montana. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. If the gentleman will first permit me to complete what I have to say. I am saying this because I want the gentleman from Montana to understand the attitude of the committee. I esteem the gentleman as highly as any Member of the House. Having served with him on the Committee on Appropriations, and having traveled with him in his State, I know his merits. I feel that some time or other Congress should come to a definite decision as to what is to be done on those Indian projects in his State, but it is up to the department, it seems to me, to get busy and further analyze that situation out there and be prepared to give us information as to whether the project should be completed or abandoned. If completed, then to what extent and what new structures are necessary, and as to what has been done in the past, and whether readjustments are necessary. All of those things ought to be worked out in a completed plan. I have in mind myself, as have other members of the subcommittee, that this

coming season, if we do visit any activities of the department in the West, we especially want on the ground to make a study of the problems with reference to these projects. However, until we do have information so that we can go ahead with a definite knowledge, it has seemed to us that the proposition presented by the department this year, that of marking time as to construction, is the proper one to follow, and we have only presented appropriations for operation and maintenance. This is not to be taken as a final decision, even as to the subcommittee, that the matter of further construction should not be reopened and completed some time later. I now yield to the gentleman from Montana.

Mr. EVANS of Montana. Mr. Chairman, I should be gratified if the committee would go upon this project and make a personal investigation. It seems to me that the responsibility is not so much with the Indian Office as it is with the Congress. It is the Congress that is legislating. I agree with the gentleman from Michigan that he gets very little information from the department on this question, but the information is available. If Congress would take the necessary steps to get it, it could get it. Congress should call on the engineer in charge of the project, Mr. C. J. Moody, and he would tell all about it. He would be able to tell more in a minute than you will learn from the department in a thousand years.

Mr. LEAVITT. Mr. Chairman, I move to strike out the last two words so that I may make this suggestion with reference to the Flathead project. The settlers on all Indian projects ought to be given the benefit of the new law with regard to a more scientific and fair manner of repayment to the Government of their water charges, such as has been given by Congress in the act passed by the Senate the day before yesterday and now before the President. I have a favorably reported bill to the effect. They will then be in a position to meet the charges that are accruing against them in a reasonable way. I am sure we will then be in a position to ask successfully for the necessary appropriations to complete the project. I am in entire accord with my colleague from Montana [Mr. EVANS] as to the steps which should be taken in this regard.

The Clerk read as follows:

For operation and maintenance of the irrigation system on the Pyramid Lake Reservation, Nev., \$3,500, reimbursable from any funds of the Indians of this reservation now or hereafter available.

Mr. RAKER. Mr. Chairman, I move to strike out the last word. The Pyramid Lake Reservation in Nevada and the irrigation system, together with the Newlands irrigation project that is further east and west, together with a diversion dam of the Newlands project known as the Derby Dam, together with the use of the Pyramid irrigation project have so affected the flow of the Truckee River from Lake Tahoe and its various smaller reaches in the river before it reaches Reno, except that when the river reaches Pyramid Lake at the mouth of the lake, it extends out in a number of fingers whereby the trout are prevented from going up the stream to the various reaches of the river and Lake Tahoe. I have had this matter up with all the departments—the Bureau of Fisheries, the Fish and Game Commission of California, and the Fish and Game Commission of Nevada, and the Reclamation Service, and the Bureau of Indian Affairs.

It seems as though it is really incumbent upon the Reclamation Service and Bureau of Indian Affairs to provide in one of these appropriations, either under the Newlands project or the project here, with a proper provision to be made that the Derby Dam and other places on the stream, occasioned by virtue of the use of the river and use of water for irrigation projects as well as Indian reservations and irrigation projects, so that the fish might be utilized and come up this stream, which has been a wonderful resource to that part of Nevada and California. I have a lot of data and hoped to get the department to agree to put a provision in the reclamation part of it—that is, under the Newlands project—that a certain amount be expended to keep this stream open. May I ask the chairman if that matter was brought to his attention in the committee's hearings?

Mr. CRAMTON. I have not been able to follow all the gentleman said, although I tried hard to do so. I think nothing has been brought to the committee along the line the gentleman has suggested.

Mr. RAKER. Possibly we will not reach that part of the bill which provides for the Newlands reclamation project to-day.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. I ask for two more minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. When we reach that paragraph which provides for an appropriation for the Newlands project between now and to-morrow, if I could furnish data and authorization from the department, would the gentleman have any objection to a proviso that a certain amount be used for this purpose?

Mr. CRAMTON. I think we had better wait until we come to that paragraph. If it is not reached until to-morrow, I will read the record of what the gentleman has said also. I am always open to conviction.

Mr. RAKER. What I have said concerning this is simply a general statement without presenting facts as I should like to do.

Mr. CRAMTON. The gentleman will have that opportunity for a further presentation.

Mr. RAKER. All right.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

The Clerk read as follows:

For improvement, maintenance, and operation of the Modoc Point, Sand Creek, Fort Creek, Crooked Creek, and miscellaneous irrigation projects on the Klamath Reservation, \$8,940, to be paid from the funds held by the United States in trust for the Klamath Indians in the State of Oregon, said sum, or such part thereof as may be used, to be reimbursed to the tribe under such rules and regulations as the Secretary of the Interior may prescribe.

MESSAGE FROM THE SENATE

The committee informally rose; and Mr. ANDERSON having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed the following concurrent resolution:

Concurrent Resolution 23

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President elect of the United States on the 4th of March next.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL

The committee resumed its session.

Mr. HUDSPETH. Mr. Chairman, I move to strike out the last word. I desire to ask the gentleman from New Mexico [Mr. MORROW], living close to the line, in regard to the bridge which he advocated here last session on which the Pueblos could cross over to their farms, they living on one side of the river and having to cross backwards and forwards. Has the gentleman secured an appropriation for the building of that bridge?

Mr. MORROW. It is under construction at the present time; appropriation has been made.

The Clerk read as follows:

For operation and maintenance, including repairs, of the Toppenish-Simcoe Irrigation unit, on the Yakima Reservation, Wash., reimbursable as provided by the act of June 30, 1919 (41 Stat. L. p. 28), \$3,500.

Mr. SUMMERS of Washington. Mr. Chairman, I move to strike out the last word. I offer an amendment to the paragraph, to strike out "\$3,500" and insert "\$5,000."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 36, line 2, strike out "\$3,500" and insert in lieu thereof "\$5,000."

Mr. SUMMERS of Washington. Mr. Chairman and gentlemen, I want to say a word concerning the general situation. In 1855, when the Indians of eastern Washington surrendered many million acres of land to the United States Government by treaty and limited themselves to the present Yakima Reservation, they were accorded certain rights and privileges under that treaty. The treaty was only fairly well observed by the whites, and the Government slept on the Indians' rights. Water was filed on by our irrigation projects and finally the United States Government had to expend something more than a million dollars in providing water rights in lieu of those they had permitted to slip away. At that time the Government agreed that it would furnish water for 40 acres for each Indian allotment, so we are under obligation to the Indians. Now, I am not wanting this work unduly pushed, but the situation is this, and I will have to say to you the same thing in regard to three different units all on the same project. The work has been under way for many years. There is something more than 100,000 acres that is now under irrigation, and it is

universally agreed that it is the most successful Indian irrigation project in the United States, and that it has cost less per acre than any other Indian project in the United States. I have been looking into this during the past several months, and I have learned that they have about \$100,000 worth of machinery there on the project with which they have been operating.

They tell me that they have the best organization that they have ever built up at any place in all the western territory for operating this machinery, and that it is doing efficient and effective work.

Now, the question is, since we are under obligation to put water on this land for these Indians—and we have been doing it for many years—whether it is the proper thing simply to take up \$100,000 worth of machinery and give it a dose of oil, which will stop deterioration to a certain extent, and disseminate and scatter and distribute to the four winds the best working organization they have ever had.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. LAGUARDIA. Would that \$3,500 a year be enough to do that?

Mr. SUMMERS of Washington. My contention is that it is not economy, and you are subjecting those who will have to repay this to undue expense which they ought not to be subjected to.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. In just a moment. The chairman of the committee, I am sure, would not start to build a residence and do a certain part of the work this year and then say, "We will do just enough next year to cover up the foundation," and next year build a little more, up to the second story, and then stop there, and a year or two later put on the next story, and finally put on the roof. That is an expensive way of doing private business. But we do those things here and then criticize the whole irrigation policy because it does not work out exactly on a business basis and because we do not get repayment charges as promptly as we should.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. SUMMERS of Washington. May I have two additional minutes?

The CHAIRMAN. The gentleman from Washington asks unanimous consent to proceed for two minutes additional. Is there objection?

There was no objection.

Mr. SUMMERS of Washington. Now there has been some work done on this particular unit, and they have a partial but insufficient supply of water, so they do get a little early crop. The Government is committed to this project. It is just a question as to when it will perform its duty. My question is, "Shall we do it in this slipshod, piecemeal fashion, covering many years, which is the most expensive way to do it?" This is the most highly productive Indian project in the United States.

Now I yield to the chairman of the committee.

Mr. CRAMTON. How much is necessary to complete the project? Does this \$1,650,000 referred to by the bureau apply to this unit?

Mr. SUMMERS of Washington. I have not had an opportunity of looking at those figures. I think the most economical way would be to appropriate a large amount. But I am not asking that in these times of severe economy, but I do not want to have them quit work entirely.

Mr. CRAMTON. Let me ask another question. The water is now covering 4,000 acres of the most productive land in the United States.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. CRAMTON. Mr. Chairman, I ask for recognition in opposition to the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. CRAMTON. Why is it that no maintenance charges are being collected from these lands?

Mr. SUMMERS of Washington. The water that is supplied to this particular unit is only sufficient for some early crops. They have not a sufficient water supply to cultivate the land in the way the surrounding lands are cultivated, and grow remunerative crops.

Mr. CRAMTON. Leaving out of consideration the 2,200 acres that are cultivated by the Indians of this most productive land in the United States, even though we do not collect a dollar an acre from that, why should we not collect a dollar an acre for maintenance from the white owners on the 1,016

acres and the other 871 acres? In other words, why not collect from the white owners of these lands?

Mr. SUMMERS of Washington. I will say to the gentleman that if this project is completed up to the point where they are supposed to pay they should pay.

Mr. CRAMTON. This water that they are getting now is worth a dollar an acre. Why should the Treasury of the United States furnish it?

Mr. SUMMERS of Washington. I do not know what the department is getting.

Mr. CRAMTON. The department says that on account of the Indians on this project no rate has been fixed. But year after year we are maintaining this out of the Treasury, and 2,000 acres of the richest land in the United States are getting water at the cost of the United States Treasury. So much for that.

As to the amendment that the gentleman offers, I agree perfectly with him that as to any project we are going to build we ought to appropriate each year for an economical construction unit.

The gentleman's figure—\$50,000—is not an economical construction unit. His whole argument condemns the amendment which he offers. Either we should go ahead with this project at an expense of several hundred thousand dollars and get done with it, or do as we have provided in the bill. To pay out money in dribbles would be unwise. To spend only \$50,000 a year is dribbling money and wasteful. I think we had better retain the committee provision.

Mr. SUMMERS of Washington. The first thing that is to be done is to acquire a dam site, and the \$50,000 will take care of that and some of the preliminary work and tide the thing over without stopping operations entirely. I am considering this in connection with the other two units.

Mr. CRAMTON. I understand the zeal of the gentleman from Washington for the interests of his State. At the present time there is nothing in this bill that can be given to the State of Washington where the gentleman does not have his hands held out. I wish him success, but I do not think we should spend money to maintain irrigation projects in his district any more than in any other place, and we ought not to provide for construction units in dribbles.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For continuing construction and enlargement of the Wapato irrigation and drainage system, to make possible the utilization of the water supply provided by the act of August 1, 1914 (38 Stat. L. p. 604), for 40 acres of each Indian allotment under the Wapato irrigation project on the Yakima Indian Reservation, Wash., and such other water supply as may be available or obtainable for the irrigation of a total of 120,000 acres of allotted Indian lands on said reservation, \$10,000: *Provided*, That the entire cost of said irrigation and drainage system shall be reimbursed to the United States under the conditions and terms of the act of May 18, 1916: *Provided further*, That the funds hereby appropriated shall be available for the reimbursement of Indian and white landowners for improvements and crops destroyed by the Government in connection with the construction of irrigation canals and drains of this project: *And provided further*, That not to exceed \$100 of the amount herein appropriated shall be available for settlement of damages caused in connection with the drainage of Mud Lake.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment to the section just completed: Line 18, page 36, strike out "\$10,000" and insert "\$200,000."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: On line 18, page 36, after the word "reservation," strike out the figures "\$10,000" and insert in lieu thereof "\$200,000."

Mr. SUMMERS of Washington. Now, Mr. Chairman and gentlemen, what I have said in regard to the Toppenish-Simcoe project applies here with even more force. We have worked on this particular portion of the project for a great many years and we have been making good headway. It is the champion Indian project of the United States.

I want to digress just a moment to reply to the chairman. He says that at every point in this bill where it is possible the gentleman from Washington has his hands out. Now, I am here to represent that district. I did not have any time before his committee; I did not have that opportunity, and this

is the only opportunity I have of stating the facts in regard to this Government work.

We are committed to it; we are going to do it; we have been doing it for years. We do have there \$100,000 worth of machinery and the best organization and the most efficient, they say, they have ever built up. And now are we going to make repayment charges impossible by dribbling the thing along and be forever in getting it done, and thus bring criticism year after year from the chairman of the committee, who is favorable in a general way to this project? I insist that the policy we maintain here of distributing these appropriations for construction over a long period of time makes it impossible to handle the project in a businesslike way, and then my people out there are criticized for the logical results of our illogical actions.

Now, I have offered this amendment for \$200,000, which will carry on the work and utilize the expert force they have gathered together, which they can never get together again, instead of standing the machinery up to rust until such time as we decide we shall go ahead and add another story to the house, the foundation of which we have already laid and which we are going to some time complete.

This is a successful project. I have familiarized you with it on previous occasions. If we put it on a business basis and go forward and complete it, I know of no reason why they should not go ahead with repayment collections and conduct the project in a businesslike way; but if we stretch construction out over 10 or 15 years instead of completing it in 3 or 4 years, we are simply making that thing impossible.

I maintain it is economy for the Government and economy for the people who have to pay the bills if we make this appropriation of \$200,000 and let the work move forward.

Mr. CRAMTON. Mr. Chairman, as I understand it, \$535,000 will complete the project. That is to be spent for a power and pumping plant. I suppose the power plant will save considerable to the users of water. The profits, if power is sold, will be used as they are on the Salt River project, namely, to reduce the cost of operation and maintenance.

I agree with the gentleman that when we start to complete that project we ought to appropriate enough for the economical construction of the project. There is nothing going on there this year, and I understand there was nothing last year in the way of construction. There is operation and maintenance, however, authorized by this item.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. SUMMERS of Washington. I think the gentleman is mistaken about no work having been done there in the last two years.

Mr. CRAMTON. I am wrong about 1924, and there is only an appropriation for operation and maintenance for the current year. For 1925 there is nothing. That is correct, is it not?

Mr. SUMMERS of Washington. The chairman has the figures, and, as far as I know, it is correct.

Mr. CRAMTON. This is the most successful Indian project in the United States. Notice that; and yet we are asked to rush into the expenditure of another couple of hundred thousand dollars to provide a power plant for them. There are 10,000 acres cultivated by the Indians and 60,000 acres cultivated by the whites. I have been on that project. It is a splendid region, and any Indian who owns 40 acres of that land, with this water available, is comfortably fixed if he will simply be willing to go to work. If they will set it out to fruit, they can have an income of several thousand dollars a year. But instead of that most of them on that most successful Indian project in the country rent the land unimproved for about \$800 a year and then expect us to pay the school charges for their children when they send them down to Chemawa. I say that the more we make things easy for those people the less of a favor we are doing them.

Now, we do not even get the operation and maintenance cost back. For 1924 the collections on that project for operation and maintenance were \$70,000 and the cost was \$108,000, about \$1.50 an acre in a rich country, where the field crops are splendid and much is in great orchards—\$1.50 an acre for water. We pay out of the Treasury \$108,000, and only \$70,000 comes back. I think we can just mark time a little until we get straightened out.

Mr. SUMMERS of Washington. What is that date?

Mr. CRAMTON. That is 1924, the fiscal year; not the calendar year 1924 but the fiscal year. Before we build a power plant for them I think we should ascertain whether they are going to pay it back and pay it back with interest.

Mr. SUMMERS of Washington. The power plant has nothing to do with this, because this is already under irrigation.

Mr. CRAMTON. But the \$200,000 which the gentleman proposes is on the power plant.

Mr. SUMMERS of Washington. It is for a continuation of the project; it is to finish up the work we have agreed to do under the treaty and under later agreements.

Mr. CRAMTON. And that is the completion of the power plant and the pumping plant.

The CHAIRMAN. The time of the gentleman from Michigan has expired. The question is on the amendment offered by the gentleman from Washington [Mr. SUMMERS].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

For operation and maintenance of the Satus unit of the Wapato project that can be irrigated by gravity from the drainage water from the Wapato project, Yakima Reservation, Wash., \$5,000, to be reimbursed under such rules and regulations as the Secretary of the Interior may prescribe.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: Page 27, line 7, strike out "\$5,000" and insert in lieu thereof "\$50,000."

Mr. SUMMERS of Washington. Mr. Chairman and gentlemen, these are not three separate projects. They are units of the same project, and the same machinery and the same organization that would operate in one place would also take care of the others. We have here a little different situation from the others. If we do not utilize water rights that are available, they are liable to be filed on further down the river and we will still be under obligation to the Indians to make good under our treaty and under later agreements we have had with them, and we may then find ourselves under the necessity of making a very great outlay for water rights. That has once occurred. We did that very thing. The United States slept on the Indians rights and it cost us \$1,000,000, and yet we blame the people for it. The Congress of earlier days is to blame for it. The members of the old Committee on Appropriations were responsible for that, and that is the policy you are asked to pursue now.

Let us appropriate \$50,000 and start the reservoir and show that we are going to use the water there and in that way hold the water right for 35,000 acres that are yet to be irrigated instead of letting it flow on down the river and be filed on further down. We will then have to expend perhaps half a million dollars for another water right.

This is one of the best districts in the country, and if it is not being conducted wholly on a business basis I maintain we are as much to blame right here on the floor of the House as they are down in the department or as they are out on the reservation itself. If you do this work piecemeal, spread over a lifetime, the overhead is bound to be enormous and you are bound to be a long time in getting your repayments, and my people are criticized because they do not repay. How could you pay for a piece of property out of the rentals from the property if you laid the foundation one year, spent a little money the next year to take care of the foundation, and the next year built the first story, and the next year the second story, and a few years later put a roof on the building?

How could you expect repayment of your capital from rentals received on property handled in that manner? That is what we are doing on our reclamation projects. It seems to me that it is not economy and that it is shortsighted, and that we ought to at least go ahead and complete the work we are obligated to perform and that we have undertaken and have under way, and handle it in a businesslike manner.

As far as the repayments are concerned or any just charges that the chairman has referred to for tuition for children, I am willing to go with him all the way in regard to that. I am not asking something for nothing. I am only asking that we handle public business as we would handle our own private affairs. I have told you time and again of the fertility of the soil, of the salubrious climate, transportation, hard-surface highways, near-by schools, and business facilities. This appropriation ought to be made now and the work on the Satus project continued at this time.

Mr. CRAMTON. Mr. Chairman, the hearings disclose that I asked Mr. Reed, the chief engineer of the Indian Service, about this amount of \$50,000 which is the appropriation for the

current year for this item, which is the Satus unit of the Wapato project. I asked Mr. Reed these questions:

Mr. CRAMTON. Does \$50,000 for construction, operation, and maintenance complete the Satus unit?

Mr. REED. Yes, sir.

Mr. CRAMTON. So now it is just a question of operation and maintenance?

Mr. REED. Yes, sir.

Mr. Reed says the current appropriation is going to complete the Satus unit. Evidently there is some addition to the Satus unit involved in the gentleman's amendment.

Mr. SUMMERS of Washington. Will the gentleman yield briefly?

Mr. CRAMTON. I think the orderly way would be to have the gentleman come before us and give us the information if he wants an additional project.

Mr. SUMMERS of Washington. May I make just a brief statement?

Mr. CRAMTON. Yes.

Mr. SUMMERS of Washington. There are 40,000 acres involved, but there is one part of that unit, one field, so to speak, that they have put water on.

Mr. CRAMTON. Are the conditions so flourishing in the State of Washington in agriculture that there is any need to hurry to put thousands of additional acres into cultivation?

Mr. SUMMERS of Washington. This does not bring them into cultivation at this time.

Mr. CRAMTON. Oh, no; but it takes the money out of the Treasury.

Mr. SUMMERS of Washington. With the best they can do, it will require several years.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was rejected.

The Clerk read as follows:

Fort Bidwell Indian School, California: For 100 pupils, \$25,000; for pay of superintendent, drayage, and general repairs and improvements, \$7,000.

Mr. RAKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from California offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAKER: Page 42, after line 8, insert:

"Greenville Indian School, California: For 100 pupils, \$25,000; for pay of superintendent, drayage, and general repairs and improvements, \$15,000; for repair and reconstruction of school buildings damaged and mostly destroyed by reason of fire on December 19, 1921, \$60,000, to be immediately available; in all, \$100,000."

Mr. CRAMTON. Mr. Chairman, I reserve a point of order on the amendment. I have not had time to read it all, but as I understand it, the amendment provides for construction of new buildings and for the opening of a school that is now closed.

Mr. RAKER. The school is practically nonactive at the present time. The \$60,000 for building is for the reconstruction of a building which was mostly destroyed by fire, but the foundation is there. This is on the point of order, I take it, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. CRAMTON. Your item is for repair and reconstruction of school building damaged and mostly destroyed by fire, \$60,000?

Mr. RAKER. Yes.

Mr. CRAMTON. I withdraw any point of order, Mr. Chairman.

Mr. RAKER. Mr. Chairman, the facts of this particular case are that the school was in operation for a number of years, well located so far as providing for the Indian children was concerned. Within 1 mile to 20 miles the parents of practically all these children live. The school owned a very splendid tract of land upon which were 28 buildings still remaining. They obtained through the Forest Service 320 acres of timberland adjoining for experimental purposes. Six years ago we obtained sufficient appropriation to procure a farm upon which we raised hay and stock that provided meat and milk for the school. We had it so that it was really giving an education to these young men and women attending the school. At the time designated the fire came and destroyed the one building used for administrative purposes and a dormitory for the boys at one end and the girls at the other end and a kitchen. The other buildings are good. I was there last year and again this year. The children were moved

from that school, some to Salem, Oreg., many miles away in another State, some went to the northern part of the State of California, a number were sent to the Carson Indian School in Nevada, a long distance away, and some were sent clear to the Sherman School in the southern part of the State of California. A number, some 25 or 30, got nothing. I have been to the Sherman Institute in southern California, and to the others. Much has been said about their being splendid schools, but I want to say to you from personal observation that so far as the Indian schools are concerned that where a boy or girl can go to school at home where he can at intervals be in the environment of his own people, inhabitants who are building up the country, it is much better for that boy or girl than it is to go to a large institution all fenced in and 90 per cent artificial; because when that pupil leaves the institution after having been there 5 to 10 years he becomes isolated from his own people and does not take up the ways of the white man as he ought to. You get the schools close to the homes and you get results.

Now, this school can be replaced and put in shape for the amount designated. Everybody in the community asks for it to be done because of the good it will do.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAKER. I have sought every means I could to get this school reopened. Had I been on the ground at the time it never would have been closed, because they saved practically all of the dishes and bedding, and the boys had a building where they could have stayed and the girls another building on the other side, and within two months they could have got the necessary appropriation to reconstruct the building at the cost price, because they were ready to do it and are willing to do it now. I hope the chairman will, out of the goodness of his great heart, not object to letting this school be reopened. It will help the Indians out; it will not help me. It makes no difference who represents the school. If we could have had the chairman of the subcommittee and the chairman of the Indian Affairs Committee visit that country, I know they would have unanimously voted for this item. We have done our best to get the members of that committee to go to that territory, where they could see the national park and the school. We have offered to pay the expenses, railroad and otherwise. It is some distance from the railroad. We had one gentleman come there last summer, and it did a world of good. I hope the chairman of the subcommittee will allow the item to go in.

Mr. CRAMTON. Will the gentleman yield?

Mr. RAKER. Certainly.

Mr. CRAMTON. Is this amendment for the Greenville Indian School or for the national park?

Mr. RAKER. For the Greenville Indian School. We have not come to the park yet.

Mr. CRAMTON. Mr. Chairman, there are two reasons why we ought not to do this, and the gentleman knows that my opposition is based upon the necessities of the case. In the first place, it is not desirable to open the school anyway. We prefer a few large boarding rather than more small schools, where the overhead is greater and the facilities less. The second reason is that when I was in Arizona a year ago I visited various schools, and I met an inspector who was familiar with the conditions in the various towns where there were Indian schools. I was very much pleased at Riverside, where through the liberality of the community they gave every facility of the high school to any Indian pupil and in the junior college without tuition, no matter from what State they came. The same is true in Phoenix, where they are received in the churches and in the homes of the town in a way that I thought was splendid. In response to my inquiry I learned that the only community in this section of several States where there was an Indian school where the Indian pupils were discriminated against by the people of the town was in Greenville, Calif., where they were welcome neither in the homes nor in the churches or the local schools, and I am against opening or reopening an Indian school in any town anywhere where that situation prevails.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to proceed for two minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAKER. Mr. Chairman, in reply I say to the gentleman that that inspector was mistaken. There is no finer com-

munity anywhere, there are no finer schools nor better churches, nor more well attended by the higher class of citizens, nor any who recognize the rights of the Indians any better than do the people of Greenville and the people in that valley and Plumas County. The gentleman must remember that it is not very long since when the last trouble occurred with the Indians in that part of the State, and it took some time for the people to get over the feeling engendered by that trouble. A short distance from there, over on Honey Lake, the Pearson family were killed, and it took a long time for those people to get over that. They feel that these Indian children ought to go to school by themselves and not be mixed up with the whites, and with a good deal of that I am in hearty accord. We get better results now from Indian pupils who are segregated in that way than by mixing them up with the whites, boys and girls together.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

The Clerk read as follows:

Sequoyah Orphan Training School, near Tablequah, Okla.: For the orphan Indian children of the State of Oklahoma belonging to the restricted class, to be conducted as an industrial school under the direction of the Secretary of the Interior, \$59,850; for repairs and improvements, \$6,500.

Mr. HASTINGS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: Page 44, line 20, after the semicolon, insert "for the enlargement of the school building so as to provide four additional classrooms, not to exceed \$20,000."

Mr. HASTINGS. Mr. Chairman, this is an orphan training school and is the only school of that kind in the United States. It is the only school where orphan children alone may attend. It is true that orphan children can go to other schools, but none but orphans can go to this school. Recently, within the last two or three years, there have been some additional dormitories erected, paid for out of the Cherokee funds. All of the Cherokee funds have been donated for the upbuilding of this school. They now find it in a crowded condition, where they do not have sufficient classrooms for the pupils. If this amendment is adopted, the idea is to raise the building up so that four new classrooms may be added, and thereby provide sufficient facilities to take care of the present attendance at the school. The school has a capacity of 250 children, and there were 246 in attendance there the other day when my colleague from Oklahoma [Mr. CARTER] and myself visited the school. I hope the amendment will be adopted.

Mr. CARTER. Mr. Chairman, I had an opportunity to visit the school within the last month, and I find this situation: The dormitory capacity had been increased until the school is able to accommodate from 250 to 275 children. On the day that I was there they had an attendance of 246 children and only 4 ordinary-sized classrooms, which made over 60 children to a classroom. The school is in a crowded condition. When I came back I called the attention of the committee to this, but not having the data at hand at that time as to what the cost might be, the chairman of the subcommittee, the gentleman from Michigan [Mr. CRAMTON] very kindly suggested that the matter go over and that we offer the amendment on the floor of the House. It is a very well-conducted school, serving a very splendid purpose, because no one but orphan children attend. In my opinion the additional classrooms can be used to very good advantage. As I saw the school, it was entirely too crowded for efficient instruction to be given.

I really think the amendment ought to be incorporated in the bill. It is an increase of \$20,000, which will be used for raising the school building, in order that four more classrooms may be added above those now being used. As far as I am concerned, I hope the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

The Clerk read as follows:

Chemawa, Salem, Oreg.: For 850 Indian pupils, including native Indian pupils brought from Alaska, including not to exceed \$1,000 for printing and issuing school paper, \$191,250; for pay of superintendent, drayage, and general repairs and improvements, \$17,000: *Provided*, That except upon the individual order of the Secretary of the Interior, no part of this appropriation shall be used for the support or education at said school of any native pupil brought from Alaska after January 1, 1925.

Mr. HAWLEY. Mr. Chairman, I move to strike out the last word for the purpose of asking a question concerning the proviso at the top of page 45. This school at Chemawa has an attendance now of 900 students, of which a large number come from Alaska. For 40 years the children of the Indians of Alaska have been admitted to this institution, and in the last 8 years some 821 different Indian children have come from Alaska to the school. They have proven to be very good students and have taken unusual advantage of the opportunities afforded. The people of the vicinity, the various civic organizations of Salem, which is within 5 miles of the school, are very much interested in these children, because of the excellence of their work and of their character. They have made inquiry as to why the committee proposes now to exclude these children from the school, to which they have been admitted for some 40 years. It has been stated that it is the intention of the committee to provide for the education of Alaskan children in Alaska without bringing them away from their native place. What is the purpose of the committee in making this change?

Mr. CRAMTON. Mr. Chairman, the school at Chemawa is one of our best Indian schools, I am advised, although I have not visited it. There is a demand for facilities there greater than we can accommodate. There are Indian children from the United States that could be placed there to the full capacity of the school without the Alaska children. The information that has come to the committee for the last three or four years with reference to the Alaska children is that bringing them from Alaska down to Oregon to educate them, with the idea of returning them to Alaska, is not practical. The results do not work out well. We simply unfit them for return to their people in Alaska. To a considerable degree the industrial training in Oregon which they receive does not fit them for practical work in Alaska. The health conditions surrounding them are not the best because of this change.

Mr. HAWLEY. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. HAWLEY. Of the 821 children within the last eight years that have come to the Chemawa school, only 16 have been sent to institutions for tubercular affliction, and the health of the children is good. Less than 2 per cent of the children have been afflicted with tuberculosis, and they probably had it before they came here.

Mr. CRAMTON. My impression is that the gentleman from Idaho, a member of the subcommittee [Mr. FRENCH], who has given some attention to this, visited the sanatorium at Fort Lapwai, Idaho, and found quite a lot of Alaska children there who had tuberculosis.

Mr. HAWLEY. There were only 16—

Mr. CRAMTON. Perhaps they had it when they came. But, however that may be, the committee has felt the other reasons sufficient—the need for the school to take care of the Indian children for which it had been built, the effect of the industrial training in Oregon on Alaska children, their whole education unfitting rather than fitting them for their duties among the people of Alaska. And the idea of the committee was that it would be better to provide educational facilities for them in Alaska. We made some start last year. There is probably \$50,000 or over in the bill this year for construction and extension of industrial schools to take care of those.

But the limitation put in last year was not a very radical one. We did not desire to disturb those children now in the school and until the 1st of next January they have been permitted to come in. The committee desires that no more should come from Alaska, and gradually that the Alaska attendance at this school shall disappear, and in the meantime we are striving to provide ample facilities for their education in Alaska.

Mr. HAWLEY. Will the gentleman answer this question: These children have proven such excellent students; that is, they have taken advantage of the opportunities they have and we are interested in them by reason of the fact of their proximity and in the welfare of all such children in Alaska. Is it the intention of the committee to provide in Alaska—

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAWLEY. I ask for two minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HAWLEY. Is it the intention of the committee to provide for education of the children in Alaska and to have suitable facilities as will approximate those at Chemawa?

Mr. CRAMTON. It is the desire of the committee, and the program that committee has entered upon is, to provide facilities for them in Alaska to best fit them for their future in Alaska. They may not be identical with those at Chemawa.

Mr. HAWLEY. Will it be as efficient?

Mr. CRAMTON. They will be more efficient for the benefit of their future work in Alaska. There is one thing we are doing now. We have a ship—the *Boxer*—that makes the different ports clear up to the Arctic Circle. Now, one use that is made of it is as a floating school in the winter. We have a limited number of boys who are being trained in the care and repair of gasoline engines that are so largely used. These boys are trained in the making of repairs and it is a very valuable training that is given them on the *Boxer*, and they have a more practical training than can be given elsewhere.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAWLEY. I withdraw the pro forma amendment.

The Clerk read as follows:

The Secretary of the Interior is authorized to withdraw from the Treasury of the United States, in his discretion, the sum of \$35,000, or so much thereof as may be necessary, of the principal sum on deposit to the credit of the Chippewa Indians in the State of Minnesota arising under section 7 of the act of January 14, 1889, and to expend the same for payment of tuition for Chippewa Indian children enrolled in the public schools of the State of Minnesota.

Mr. SMITH. Mr. Chairman, I move to strike out the last word for the purpose of asking a question with reference to the item on page 32 providing for maintenance and operation of the Fort Hall irrigation system, Idaho, \$15,000. The appropriation for the current fiscal year is \$49,000, reimbursable. I received a telegram this morning from the Pocatello Water Users' Association, which is as follows:

POCATELLO, IDAHO, December 5, 1924.

Hon. ADDISON T. SMITH,

House of Representatives, Washington, D. C.

Reports indicate appropriation maintenance Fort Hall project, \$15,000. Total maintenance cost approximately \$1.50 per acre. Indian area not paying on acreage basis. Thirty-two thousand acres require maintenance appropriation \$48,000. Water users protest against paying maintenance cost for Indian lands.

POCATELLO WATER USERS' ASSOCIATION.

I wish to have the chairman explain the committee's reason for reducing the appropriation from \$49,000 to \$15,000. Is the department planning some new policy that is being made applicable to Indian irrigation projects?

Mr. CRAMTON. In my preliminary statement on Wednesday, page 84 of the RECORD, I go into that situation somewhat. The gentleman from Idaho is correct. It is the policy of the committee, taking in a number of reservations—Yuma, Fort Hall, Flathead, Blackfeet, Crow, Confederated Utes, and Wind River. With reference to Fort Hall, our best information is that there is Indian owned and not leased 15,000 acres, of which 7,249 acres are cultivated. White owned, 14,760 acres, of which 3,822 acres are cultivated; white leased, 19,446 acres. Total, 52,010 acres. There is a total amount of 34,000 acres white owned and white leased land. The assessment sought to be spread against that 34,000 acres would be \$42,690, but the estimated amount for operation and maintenance is \$40,000.

We did not want the whites to take care of the cost of irrigation for the Indians, and we did not desire the Treasury to take care of the cost of operation and maintenance of irrigation on the white land, and therefore we made the recommendation. From the information we have at hand that the Indians had about one-third of the land properly assessable and should pay about one-third of the cost of operation and maintenance, and taking \$40,000 as the cost, we placed \$15,000 in the bill as being the Indians' share.

Mr. SMITH. But if the Indians do not pay their share of these charges, are any portion of them imposed on the white landowners?

Mr. CRAMTON. That is a matter between the Treasury and the Indians. But there will be \$15,000 appropriated from the Treasury to take care of the third that belongs to the Indians. Now, if the whites will pay \$30,000 or less to take care of their two-thirds, then the department will have enough to operate and maintain the project. The trouble has been that the whites have not been paying their share.

Mr. SMITH. But under the proposed plan of the committee the white landowners would be required to pay operation and maintenance in advance.

Mr. CRAMTON. That is not the plan of the committee. That is the law and the order of the department. The order of the department fixing all of these charges under the act of 1914 provides for the payment in advance.

Mr. SMITH. Is that law being enforced?

Mr. CRAMTON. That is what we are trying to bring about. The order of 1914 fixes the authority of the department. We are trying to make it a little more practical and require that these charges be paid by the whites for the operation and maintenance of the white-owned land. We want them to pay their share, but not to pay the Indians' share.

The CHAIRMAN. The time of the gentleman from Michigan has expired. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

For aid to the common schools in the Cherokee, Creek, Choctaw, Chickasaw, and Seminole Nations and the Quapaw Agency in Oklahoma, \$155,000, to be expended in the discretion of the Secretary of the Interior, and under rules and regulations to be prescribed by him: *Provided*, That this appropriation shall not be subject to the limitation in section 1 of the act of May 25, 1918 (40 Stat. p. 564), limiting the expenditure of money to educate children of less than one-fourth Indian blood.

Mr. HOWARD of Oklahoma. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HOWARD of Oklahoma: Page 47, line 13, strike out "\$155,000" and insert "\$578,000."

Mr. HOWARD of Oklahoma. Mr. Chairman and gentlemen of the committee, one of the most pathetic and yet one of the most ridiculous things that I know of is to see some fellow who has been elevated to some office, either through political preference or otherwise, writing a report about how much good he has done for the Indian, when in most instances the fellow making the report never saw an Indian except the one that stands in front of a cigar store until he received a political preferment, and in most other instances he is only interested in the Indian to the degree that he draws his salary.

This situation, Mr. Chairman, is especially true with respect to the Five Civilized Tribes in the State of Oklahoma, and I want to say without fear of contradiction that in the manner of the education of the Indian there is no greater waste, considering the amount involved, than there is in the expenditure of the moneys boasted of by the Indian Bureau in referring to what it does for the Indians of the Five Civilized Tribes.

In the first place, I want to say, Mr. Chairman and gentlemen of the committee, that I have lived among the Indians for 33 years, and I challenge any man to present to me a case of an Indian in the Five Civilized Tribes who has been under the surveillance and supervision of the Indian Bureau who is to-day any further advanced toward caring for himself than he was 33 years ago. On the other hand, where we have turned these Indians loose, where we have given them an opportunity to get out from under these self-styled "guardian angels," in just so many cases, as in an equal number of instances with respect to the white men of Oklahoma, those Indians have made good and have become good citizens.

I want to charge, Mr. Chairman, that the Indian Bureau, in so far as the Five Civilized Tribes are concerned, does not in anywise do what they claim to the Congress of the United States that they do in the matter of educating the Indians; and I will guarantee to this Congress that if you will give to the State of Oklahoma one-half of the money you spend on Indians in the Five Civilized Tribes for educational purposes we will place them in better schools than the Government furnishes and educate them among our white people, where they should be and where within seven years they must be educated.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. HOWARD of Oklahoma. Yes.

Mr. CRAMTON. If I understand the gentleman's proposition, it is interesting; but does he say that if we will give him half—

Mr. HOWARD of Oklahoma. Half of the \$680,000.

Mr. CRAMTON. About \$77,000?

Mr. HOWARD of Oklahoma. It is \$680,000.

Mr. CRAMTON. That is something else.

Mr. HOWARD of Oklahoma. I will get to that.

The Interior Department does not do for the Five Civilized Tribes what they claim they do. In that connection I want to call your attention to the table on page 83 of the CONGRESSIONAL RECORD of December 3, 1924. This report sets out that in the Five Civilized Tribes of Oklahoma there are 26,979 children of school age, and then it sets out—

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HOWARD of Oklahoma. Mr. Chairman, I ask unanimous consent to proceed for five more minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent for five additional minutes. Is there objection?

There was no objection.

Mr. HOWARD of Oklahoma. And then it sets out, Mr. Chairman, that there are in these Indian schools 19,605 students.

Now, Mr. Chairman, I hold in my hand here a copy of the report made by the United States Commissioner of Education in 1922, in which it is shown that instead of 19,605 of these children being in these schools supported by the Government, through tribal and governmental funds, there were, as a matter of fact, 3,584 of those Indians.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. HOWARD of Oklahoma. Yes.

Mr. HASTINGS. I heard the gentleman make some statement about the number of unrestricted Indians in remarks that he made before to-day. I think the misapprehension as to the figures arises from this fact, that the members of the Five Civilized Tribes were made citizens of the United States under the act of March 3, 1901. I think the Commissioner of Education or the Census Bureau does not make a report of all of those of Indian blood, whereas the Indian office or those who are charged with disbursing this money for the benefit of Indian schools take a census of all of the Indians of every degree of blood, and therefore the figures representing nineteen thousand-odd children are approximately correct, whereas the Commissioner of Education or the Census Bureau in taking the census does not take note of the great many Indian children who are not carried on the rolls, who are not restricted as of one-half Indian blood. I think that is the proper explanation.

Mr. HOWARD of Oklahoma. Yes; that is the camouflage of the Indian Bureau, when, as a matter of fact, the condition does not exist. But I refer to the fact that according to the report there are only 3,584 Indian children in the Indian schools maintained by the Government in the Five Civilized Tribes from governmental and tribal funds.

Now, Mr. Chairman, I find that the Government spent in 1922, \$680,000 for educating 3,584 of these Indian children, while the State of Oklahoma, according to the report of the Commissioner of Indian Affairs, is educating 21,245 of these Indian children, and they very liberally, so they think, appropriate to us \$150,000.

Now, Mr. Chairman, the table to which I refer says there is a total capacity in all schools for 18,095 children provided by the Government of the United States in Oklahoma. I want to ask where those schools are. I want to ask data from the Commissioner of Indian Affairs as to how many of those children are in their schools.

The facts are, Mr. Chairman and gentlemen of this committee, that those children are being educated, 21,000 of them, by the State of Oklahoma; but in order to camouflage this Congress and secure \$680,000, most of which they are wasting in the State of Oklahoma, they carry in the table presented to you a statement which would lead you to believe that they are educating 18,095 of these Indian children.

Now, Mr. Chairman, to get back to my amendment. I am only asking for justice for the State of Oklahoma. According to the report of the Commissioner of Education we in Oklahoma could have collected in school taxes \$1,283,000 last year had it not been for the agreement which the Government is carrying out with the Indians, and properly so, because they made that agreement. But I maintain, Mr. Chairman, that the Government of the United States should not impose upon the citizenship of the State of Oklahoma by asking them to educate 21,245 children while they, in carrying out their agreement with the Indians, keep that land off the tax rolls.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HOWARD of Oklahoma. Mr. Chairman, I ask for three more minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to proceed for three additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HOWARD of Oklahoma. Now, Mr. Chairman, I have figured this thing from the basis of the \$680,000 spent by the Government, and deducting that from the \$1,283,000 which the State could collect on these lands for school purposes, and it does seem to me but fair and it does seem to me but justice that this Congress should make up the difference, because the white children of Oklahoma, through this condition, are being kept out of school from one to three months each year and the taxpayers of Oklahoma are compelled to levy from \$400,000 to

\$650,000 extra in State funds upon themselves in order to carry on these schools and educate these children which the Indian Bureau tries to camouflage you into believing it is educating. It does seem to me Congress should make up the difference to us, and that difference is \$578,000, including the \$155,000 carried in this bill. I ask this on the recommendation of the Bureau of Education of the Interior Department, because in its report it said:

The school system should be organized so that the Indian youth shall ultimately be educated in the public schools of the State. To this end the responsibility of the Federal Government will gradually decrease, and that of the State will increase, until the schools are entirely controlled and maintained by the State. In view of the fact that the trust periods on Indian lands are to expire within 5 to 10 years, unless extended by Congress, it is important that the State shall make all possible effort to improve the rural schools of the Indian districts, incorporating in the curriculum those phases of education which are vitally related to home life, so that the Federal Government may resign its responsibility in favor of the State with the assurance that satisfactory standards of education will be maintained.

The Federal Government should provide liberal financial aid for the education of Indian children in the public schools during the trust period.

Mr. BLANTON. Will the gentleman yield?

Mr. HOWARD of Oklahoma. Yes.

Mr. BLANTON. The gentleman has in his district in Oklahoma a magnificent State university?

Mr. HOWARD of Oklahoma. Not in my district.

Mr. BLANTON. At Norman. May I ask the gentleman whether any of these Indian children are attending that university?

Mr. HOWARD of Oklahoma. There are Indian children in every school we have in Oklahoma.

Mr. BLANTON. I mean in the university.

Mr. HOWARD of Oklahoma. Yes.

Mr. BLANTON. Does the State of Oklahoma receive any remuneration for those children?

Mr. HOWARD of Oklahoma. No, sir; except the \$155,000 included in this bill for the education of 21,245 children. Gentlemen, I ask you to do justice to the State of Oklahoma.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. CRAMTON. Mr. Chairman, it is not for me to argue with the gentleman from Oklahoma, as well informed as is the gentleman who has just spoken as to what is or is not in Oklahoma, but I do think that a gentleman as eminent as the gentleman from Oklahoma, before he would twice in one day challenge the accuracy, and not only the accuracy but the good faith of the Indian Bureau, would want to be sure that he was doing justice to those officials.

Now, he has claimed that they are misleading you about the number of children cared for in Indian Government schools in Oklahoma. Let me read to you from the hearings with respect to this particular item, page 936, and available to the gentleman from Oklahoma. It is a statement from Mr. Meritt on this item of \$145,000:

The total number of eligible children in the Five Civilized Tribes is 26,979, not including freedmen. Of these there were enrolled in the public schools about 16,563; in Government schools, about 2,097; in contract and noncontract schools, 945, making a total enrollment of 19,605.

Nobody but the gentleman from Oklahoma has any idea that the Indian Service has been trying to claim there were 19,000 children in Government schools in Oklahoma.

But the amendment proposed, what is it? The gentleman wants a total of some \$680,000 to be turned over to the State of Oklahoma to educate a total of 19,605, \$30 per capita for all of them, in addition to what we are providing in our other schools. I do not understand that his amendment would provide schooling for one additional child in Oklahoma, but it would transfer \$500,000 more from the Treasury to the coffers of Oklahoma than does this bill.

Mr. HOWARD of Oklahoma. Will the gentleman yield?

Mr. CRAMTON. Yes.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOWARD of Oklahoma. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan have two more minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that the gentleman from Michigan [Mr. CRAMTON] have two additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HOWARD of Oklahoma. Mr. Chairman, I reiterate what I said relative to the table on page 84, which states that the total in school is 19,605 and the total capacity of all schools is 18,095, evidently leading anyone who had no opportunity to attend the hearings of this committee, as was the case with most of us, because you will remember they were ready to report when we arrived in Washington, to the conclusion that they had facilities for 18,095 children out there, when they have not facilities for one-third of them.

Mr. CRAMTON. Mr. Chairman, this table has nothing to do with the question of whether they are in Government schools or State schools. It is a table of the number of Indian children who are in school. In another paragraph there is an appropriation of \$350,000 to pay tuition in the public schools, and I think everyone agrees who is familiar with the question that these Indian children are better off, where it is possible to do so, if they are in the public schools with the white children, and so we are constantly making that appropriation larger.

This table has nothing to do with the question of what kind of school they are in. It is the number that are in school, and if there is an error in it, I think gentlemen might better blame me than the Indian Service, because the table is a condensation which I prepared of much more elaborate tables which appear in the Indian Office reports, and the information I have just referred to absolutely acquits the Indian Bureau of any misrepresentation which the gentleman has twice to-day charged them with.

Mr. HOWARD of Oklahoma. Yes; and he is going to charge them with some more before he gets through and prove it, too.

Mr. CRAMTON. The gentleman wants to be just, I know. The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. HOWARD of Oklahoma) there were—ayes 10, noes 26. So the amendment was rejected.

The Clerk read as follows:

For necessary expenses in connection with oil and gas production on the Osage Reservation, including salaries of employees, rent of quarters for employees, traveling expenses, printing, telegraphing and telephoning, and purchase, repair, and operation of automobiles, \$58,400, to be paid from the funds held by the United States in trust for the Osage Tribe of Indians in Oklahoma.

Mr. CRAMTON. Mr. Chairman, the gentleman from New York [Mr. SNYDER], chairman of the Committee on Indian Affairs, has an amendment to this paragraph. He is on his way over now, and I ask unanimous consent that this paragraph may be passed until the gentleman from New York arrives.

The CHAIRMAN (Mr. SNELL). The gentleman from Michigan asks unanimous consent to pass this paragraph temporarily. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

For expenses incurred in connection with visits to Washington, D. C., by the Osage Tribal Council and other members of said tribe, when duly authorized or approved by the Secretary of the Interior, \$10,000, to be paid from the funds held by the United States in trust for the Osage Tribe.

Mr. CRAMTON. Mr. Chairman, I ask now that we return to the item on page 58 concerning the Osage Indians.

Mr. SNYDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. SNYDER: Page 58, after line 18, insert a new paragraph, as follows:

"For the erection of a monument under the supervision of the Secretary of the Interior on the Osage Indian Reservation in Pawhuska, Okla., as a memorial to Indians of that tribe who gave their lives for their country in the recent war with Germany, \$25,000, payable from the tribal funds of the Osage Indians."

Mr. SNYDER. Mr. Chairman, I do not think it is necessary to say anything with reference to this proposed amendment. Recently I was in Pawhuska, on Indian matters, and the council of the Osage Tribe were in session at that time. They requested me to present this amendment. I have found in my experience with the Osages that they are a very patriotic people. They were among the first to send their sons to war. They have ample funds; in fact, more money than they know what to do with, and they want this appropriation in order to

set up in their own country a monument to commemorate the activities of their own people in the Great War.

Mr. CARTER. And it is to be paid out of their own funds?

Mr. SNYDER. Yes; from their own funds. It is not a charge on the Government at all. I would be very pleased, of course, to see the amendment adopted.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. SNYDER. Yes.

Mr. LaGUARDIA. Does the gentleman provide in his amendment that the design shall be by an American artist?

Mr. SNYDER. The amendment does not call for that; but it would be rather unreasonable to expect the Indians of this country would go outside of the country to get an artist to design their own monument.

Mr. LaGUARDIA. That happened very recently in this country, and that is why I inquired.

Mr. HOWARD of Oklahoma. Mr. Chairman, I represent as a Member of Congress practically all of the Osages. I want to say I am pleased at the cooperation of the chairman of the Committee on Indian Affairs with the Osage Indians in introducing this amendment providing for the building of this monument.

I dare say there was no race of people whose sons made a better record on the battle field than did the sons of the Osage Tribe. I think it is fitting that the Osages themselves want to erect this monument to the memory of those of their tribe who fought for their country in the Great War.

In passing I also want to call attention to the fact that while it will not be commemorated by the building of this monument, yet the great Osage people with their great wealth exceeded in many instances, and always equaled, in the exemplification of the spirit of patriotism, any other citizenship, and the remarkable manner in which they subscribed their funds for the benefit of the Government at the time of war was a precedent and an act of which the Osages and the Nation should certainly be proud.

Mr. SNYDER. Will the gentleman from Oklahoma permit an interruption?

Mr. HOWARD of Oklahoma. Yes.

Mr. SNYDER. I know the gentleman will be pleased to have inserted in his remarks the fact there are about 2,200 Osages still on the rolls, in various ways, and there were 144 Osage Indians who served in the late war, and the per capita subscription of the Osage Indians to Liberty bonds was \$1,500.

Mr. HOWARD of Oklahoma. I thank the gentleman, and I want to say that one of the prettiest pictures I saw during the war was of one of these old Osage women, past 80 years of age, holding a great barbecue and feast at her home for the purpose of raising funds to help with the war work.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SNYDER].

The amendment was agreed to.

The Clerk read as follows:

PATENT OFFICE

SALARIES

For the Commissioner of Patents and other personal services in the District of Columbia in accordance with "The classification act of 1923," \$2,370,000: *Provided*, That of the amount herein appropriated not to exceed \$25,000 may be used for special and temporary services of typists certified by the Civil Service Commission, who may be employed in such numbers, at \$4 per diem, as may, in the judgment of the Commissioner of Patents, be necessary to keep current the work of furnishing manuscript copies of records.

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from Michigan, the chairman of the committee, a question. I am pleased to state that there has been a marked improvement in the conduct of the Patent Office within the last two or three years. What I would like to ask the gentleman is, Has there been any provision made for making the responsible officers of the various divisions and the technical positions more attractive? I understand that young men get positions, remain there a few years, and, with nothing to look forward to, they leave the Government service for higher compensation in private offices. The result is that, instead of building up a permanent skillful and specialized personnel, the Patent Office becomes a mere training school. It seems to me that while the clerical force has been provided for under the present appropriation, it might be well if some thought was given to the reorganization of the office in regard to heads of divisions and technical men with a view of making the places more attractive and providing proper promotions and better remuneration, so as to build up a skilled and trained personnel in that office. Surely in the

greatest Patent Office in the world we should provide properly for the men who have such responsible work.

Mr. CRAMTON. I will say that within the last two years there has been an increase of about 50 per cent in the cost of administration in the Patent Office, very largely due to the salary increase act passed by Congress and approved February 8, 1922. At that time the cost was about one and a half million dollars, and at the present time it is almost two and a half million dollars. That is almost entirely due to the increase of salaries; not entirely, because there has been some increase in the personnel. So that at the present time we have probably gone about as far as we should in that direction. The gentleman will recognize that in any technical branch, and especially one like the Patent Office, where the Patent Office is the court that finally passes on the issuance of patents, bright and competent men who go into the service and become technical experts, by reason of the very training that they secure there, will attract salaries outside higher than the Government can pay, and therefore they will accept the outside position, taking them from the Government to some extent.

Mr. LAGUARDIA. Some of these men who become specialists I believe receive salaries of four or five thousand dollars, and I can understand how they would receive calls from outside with higher salaries. But if we could increase the pay of these men we would build up a permanent force that would expedite business and make it worth while for them to remain, as they do in the Army.

Mr. CRAMTON. The difference between this and the Army is that, generally speaking, the experience gained in the Army, outside of the Engineer Corps, is not a training that attracts offers of increased pay from outside. Then there are some other nice things about the Army; they are trying to retire them before they reach the age of 50, so that nobody is going to leave the Army.

But that is apart from the subject. We can not expect to put the Government salaries so high that no one will receive offers of a larger salary from outside.

Mr. SNELL. If the gentleman will yield, I would like to ask him how is the current work in the Patent Office?

Mr. CRAMTON. The current work is greatly improved, and we are told that with the temporary roll carried in the bill by the 1st of July, 1926, the work of the office will be current. That is to say, every application that comes in will be taken up for consideration with reasonable promptness and made practically current. There will still be quite a large number of applications pending, but the work will be current at that time.

Mr. WATSON. Will the gentleman yield?

Mr. CRAMTON. Certainly.

Mr. WATSON. This is the only office where they have made sufficient money to pay the expenses. Since the increase of the salaries, has it developed a situation where they are making more money or are they making less?

Mr. CRAMTON. Less; but still the situation is this: A more rapid disposition of the cases has increased the receipts, but the increase in receipts is not as great as the increase of expenditures. For the last fiscal year there is about \$214,000 deficit. That is not a very fair comparison, because a lot of business disposed of came in prior years. On the whole they have a surplus of about \$8,000,000 to their credit.

Mr. WATSON. As I recall, in some years past they have returned something like \$300,000.

Mr. CRAMTON. Yes; and as soon as we get caught up again and running on an even keel they will be able to take care of their expenses again.

The Clerk read as follows:

For temporary additional employees in the Patent Office at rates of compensation in accordance with "the classification act of 1923," such employees to serve without annual or sick leave allowance and to be appointed under the provisions of the civil service laws, rules, and regulations for the purpose of making current the work of the Patent Office, \$191,000.

Mr. HUDSON. Mr. Chairman, I move to strike out the last word, for the purpose of asking the chairman of the subcommittee whether the language in the paragraph is new in respect to the employment of temporary help, whether it has been carried before, where the annual and the sick leave allowance is not granted?

Mr. CRAMTON. That has generally been the policy with these temporary rolls. For instance, take a technical roll of this kind. It was a two-year program that we entered upon. It would take some little time to get the appointees selected through their proper examinations. Then it would take sev-

eral months to get them organized so as to produce, and it does not seem necessary or desirable that those who are on the temporary roll should be given these very generous sick leaves and annual leaves that occur generally in the civil service. In these temporary rolls we have generally exempted that. We did it in the Pension Office on a similar temporary roll a year ago.

Mr. HUDSON. I can understand the justification for taking out the annual leave, but it seems to me that if these temporary employees who are to be there for at least two years—

Mr. CRAMTON. Not two years, but it was a total of two years.

Mr. HUDSON. Then a year at least. I think that those who are serving under the civil-service rules and who are appointed under civil-service rules ought not to be penalized because the hand of misfortune brings sickness upon them. I think they ought to have 30 days' sick leave. I ask again if this is the usual practice?

Mr. CRAMTON. It is; and I think this sick-leave business has been abused. When putting on an emergency force like that it is not contemplated to have it disorganized by people taking the maximum sick leave.

Mr. HUDSON. Is it the thought of the chairman that this ought to be continued down through the general classification act? I refer to the cutting out of the sick leave.

Mr. CRAMTON. I do not know that I need pass upon that. That is out of my jurisdiction. I do think that there is a tremendous drain on the efficiency of the departments through the practice of a good many employees taking the maximum sick leave. I understand the departments have been trying to restrict that somewhat.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last two words. I notice that the report shows that the temporary typists are being paid \$4 a day and are required to turn out 10,000 words, for which the Government receives \$10. Is that to be fixed by law, or is that under the discretion of the commissioner or some head of a department?

Mr. CRAMTON. That is a special work. It does not apply to the stenographers who are engaged in the work of the Patent Office generally, but it has reference to stenographers who are engaged to do a certain work in making copies of records that are desired by the public.

Mr. LAGUARDIA. What I want to get at is this: Congress is not fixing that rate of \$4 a day, is it? That is entirely under the discretion of the department, is it not?

Mr. CRAMTON. That is a limitation carried in the appropriation bill. I think there is no other legislation with reference to it.

Mr. LAGUARDIA. It seems to me to be rather low pay if they are required to turn out that much work, but from what I read on page 241 of the hearings I thought that that was discretionary with the department and that it was not up to us to do it.

Mr. CRAMTON. Four dollars is the maximum.

The Clerk read as follows:

Minidoka project, Idaho: For operation and maintenance, continuation of construction, and incidental operations, \$797,000.

Mr. RAKER. Mr. Chairman, I move to strike out the last word. I have not had time to go into this matter particularly, but the appropriation now under consideration is the Minidoka project in Idaho, which carries an appropriation of \$797,000. Is that to be reimbursed under the new system of 5 per cent on the gross proceeds of the project?

Mr. CRAMTON. I have been forced to make up my mind about some things in connection with the reclamation projects in this bill and to answer some questions in respect to them. I do not like to answer any more questions than I have to, because they are hard to answer. What is the status as to the Minidoka project I do not know. Whether the Minidoka project is one of those that is to take 138 years in repaying its money to the Government I do not know. I do know that there has been some change in the law, but how far-reaching it is I do not know as to the projects under construction.

Mr. RAKER. What I am trying to get at is this: Of course, as to all of the old projects, the money will be collected as the law stands.

Mr. CRAMTON. I should supplement that further in respect to the Minidoka project, to be perfectly frank. There are several hundred thousand dollars in this. My impression is that all of that for new construction is for the American Falls Reservoir, which is being constructed, so far as private lands are concerned, under certain contracts which require payment with interest by the private districts affected.

Mr. RAKER. The principal thought that was in my mind is that under the bill that finally passed, but that has not yet been signed unless it was signed to-day, the payment according to production would not apply to these projects unless the Secretary of the Interior pushed, as it were, the present occupants out of the project, and I am wondering whether or not the gentleman had accumulated any information with respect to that, whether it is the intention of the department to so arrange the matter that payments shall come under that contract that may run for from 50 to 150 or 200 years.

Mr. CRAMTON. As to the projects heretofore under construction, I have not gone into the question, because it was not particularly pertinent as to our work. As to the new projects authorized, of course new legislation, however far-reaching it is, will apply.

Mr. RAKER. The gentleman does not quite get my point. Under the old projects they will not come under the new law, when signed by the President, unless the Secretary so presents the matter as to make it so that the present occupants feel as if they had to come under the project, and I am wondering if anything of that kind has been presented to the committee.

Mr. CRAMTON. The committee has had no discussion as to the effect of the new legislation upon projects heretofore under construction.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. I ask for an additional minute.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. The gentleman from Michigan, chairman of the subcommittee, and myself, I think, have been practically in accord on that proposition, and not having an opportunity to hear the testimony I wondered whether or not anything had been presented in committee at this session?

Mr. CRAMTON. We discussed with the Director of Reclamation the status of the law in reference to new construction being undertaken—for instance, Kittitas and Salt Lake and, to some extent, Spanish Springs and Owyhee. We discussed that because it was before us, and, as I said before in my opening speech, the Director of Reclamation feels that the legislation to which the gentleman from California referred is incomplete, and would not desire to go ahead with construction on these new projects until the law was supplemented by other features which he thinks are important.

The CHAIRMAN. The time of the gentleman has expired, and without objection the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

Sun River project, Montana: For operation and maintenance, continuation of construction, and incidental operations, \$611,000: *Provided*, That no part of this appropriation shall be used for construction purposes until a contract or contracts in form approved by the Secretary of the Interior shall have been made with an irrigation district or with irrigation districts organized under State law, providing for payment by the district or districts as hereinafter provided. The Secretary of the Interior shall by public notice announce the date when water is available under the project, and the amount of the construction costs charged against each district shall be payable in annual installments, the first installment to be 5 per cent of the total charge and be due and payable on the 1st day of December of the third year following the date of said public notice, the remainder of the construction charge, with interest on deferred amounts from date of said public notice at 4 per cent per annum, to be amortized by payment on each December 1 thereafter of 5 per cent of said remainder for 40 years, or until the obligation is paid in full: *Provided further*, That no part of the sum provided for herein shall be expended for construction on account of any lands in private ownership until an appropriate repayment contract in accordance with the terms of this act and in form approved by the Secretary of the Interior shall have been properly executed by a district organized under State law, embracing the lands in public or private ownership irrigable under the project, and the execution thereof shall have been confirmed by a decree of a court of competent jurisdiction, which contract, among other things, shall contain an appraisal approved by the Secretary of the Interior, showing the present actual bona fide value of all such irrigable lands fixed without reference to the proposed construction, and shall provide that until one-half the construction charges against said lands shall have been fully paid no sale of any such lands shall be valid unless and until the purchase price involved in such sale is approved by the Secretary of the Interior, and shall also provide that upon proof of fraudulent representation as to the true consideration involved in any such sale the Secretary of the Interior is authorized to cancel the water right attaching to the land involved in such fraudulent sale; and all public lands irrigable under the project shall be

entered subject to the conditions of this section, which shall be applied thereto: *Provided further*, That no part of the sum hereby appropriated shall be expended for construction until a contract or contracts shall have been executed between the United States and the State of Montana, whereby the State shall assume the duty and responsibility of promoting the development and settlement of the project after completion, including the subdivision of lands held in private ownership by any individual in excess of 160 irrigable acres, the securing, selection, and financing of settlers to enable the purchase of the required livestock, equipment, and supplies and the improvement of the lands to render them habitable and productive. The State shall provide the funds necessary for this purpose and shall conduct operations in a manner satisfactory to the Secretary of the Interior: *Provided further*, That the operation and maintenance charges on account of land in this project shall be paid annually in advance not later than March 1, no charge being made for operation and maintenance for the first year after said public notice. It shall be the duty of the Secretary of the Interior to give such public notice when water is actually available for such lands.

Mr. RAKER. Mr. Chairman, I reserve a point of order on all of the matter on page 69 after the word "provided" in line 9. I do that for the purpose of asking a few questions; that is all.

Mr. CRAMTON. I would be glad to have the point of order presented.

Mr. RAKER. As a matter of fact, it is new legislation.

Mr. CRAMTON. It is not legislation. These are limitations, but it does provide some certainty as to the term on this particular project which does not apply on any other project.

Mr. RAKER. It is too late and the wrong place to get any results now, I appreciate that. Really, we ought to have had a hearing and a presentation before the Committee on Arid Lands.

Mr. CRAMTON. I hope there will yet be such a presentation and hearing.

Mr. RAKER. But this will bring one theory for one project, and another project will have another contract. Of course, there is one thing valuable in this; they are getting new work. They will not be in position to say the original notice was \$50 and now it is going to cost \$75, because, you understand, under this provision you have to enter into a contract and pay in addition what is required. That is, of course, valuable, and it is going to work tolerably well; but it is going to have this effect, that all the other projects—involving, I imagine, something like \$50,000,000—are going to say, "You ought to have done this for us, but you did not do it." I hope it will not occur that way. But there ought to have been a general law for all of these projects covering new works and new development. But I am not going to insist on the point of order. I am going to withdraw it with the idea it is going to have some beneficial effect. It is unfortunate that the legislation is not on the statute book to cover all of these other projects, so as to make these projects workable and make these men pay, to the end that we may get more money, have more and better development of our arid lands, which tend to the development of our country. I withdraw the point of order.

The CHAIRMAN. The reservation of the point of order is withdrawn.

Mr. LEAVITT. Mr. Chairman, I wish, first of all, to express my appreciation of this item being in the bill. For a period of 15 or 16 years an effort has been made to secure the construction of this storage dam. For the first time the Sun River project in Montana will be assured an adequate supply of water. I hope, however, that some of the terms set forth here will have further consideration, in view of the fact that this project is already partly constructed and partly settled. A very large part of the area has been under cultivation for a long period of years, and with the terms of payment previously made it has been rather difficult to meet the contract. Now, I have in mind, with several other provisions, this one which says that none of the money shall be expended until the State of Montana has made certain agreements.

I believe, since some of the people there have been operating for a period of 15 or 20 years, that this is a rather drastic provision. I will agree with the committee that in all new construction definite provision for repayment must be made. My position on that is plain as a member of the Reclamation Committee. But I believe the conditions imposed should be such that costs may be reasonably met, because that is one thing necessary to insure the payment of the money. I would ask the reconsideration of this provision in conference.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. RAKER. The gentleman is a member of the Committee on Irrigation and Reclamation of Arid Lands. This contains a special new provision. Does not the gentleman feel that we ought to have a policy that will apply to all projects, rather than to have a special matter like this on each individual project?

Mr. LEAVITT. The gentleman is also a member of the committee, and he knows that we had before us at the last session the report of the fact finding commission and that we attempted to write such a measure as that. We were able at the close of Congress only to get as far as the provisions that were enacted by the House before we adjourned and by the Senate on day before yesterday and which I believe would have been signed by the President before he went West if time had been allowed. I believe it will be signed by him. That takes care to a certain extent of the recommendation of the fact finding committee to cover the old projects. I am in favor of considering further the questions contained in this fact-finding report and also of carrying out the request made by the President in his message that we do enact into law the recommendations of the fact finding commission. This will put reclamation on a sound business basis by doing two things—by assuring, first, the success of the settlers on reclamation projects and, second, the return of the funds invested by the Government to the Treasury of the United States.

Mr. RAKER. The gentleman would agree with me in this, would he not, that what we want is a workable reclamation act that will develop the country and allow us to get an appropriation for that purpose and at the same time get a good citizenship and get our money paid back, as it ought to be?

Mr. LEAVITT. Yes. I will agree to that with this statement: That we should have in the reclamation law provisions as to the future which will make it possible for the settlers to receive such terms as can be complied with.

Mr. RAKER. We will never get a payment unless we make it mandatory and require the fellow to pay or forfeit his property if he does not pay.

Mr. LEAVITT. In defense of many of the people of the West I will have to disagree to that. Many of them have paid up to date under the present law.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. GREEN. Mr. Chairman, I ask unanimous consent that the gentleman may have two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GREEN. Is this project a Government project?

Mr. LEAVITT. Yes. It was on Government land, and it was originated by the Government something like 20 years ago. It is simply a matter of good faith to some extent to the people who have been waiting for many years and who have not had adequate supplies of water in dry years.

Mr. GREEN. Do you expect this will finish the project?

Mr. LEAVITT. No. This will not complete the project. This is the beginning of a storage dam which has heretofore been denied to the settlers although it was tentatively promised to them many years ago.

Mr. GREEN. What new land will this open to the prospective settler?

Mr. LEAVITT. About 40,000 acres of land. It will carry with it provisions that will enable them to pay and which will require them to pay.

Mr. GREEN. The expectation is to carry out that line of action?

Mr. LEAVITT. Yes. No further steps will be taken toward new construction without carrying provisions of that kind.

Mr. CRAMTON. Mr. Chairman, in response to the suggestion of the gentleman from Montana [Mr. LEAVITT] the committee would have been very glad if conditions had been such that we could have had more fully the benefit of the advice of Members like the gentleman from Montana who are well versed in these matters and have a breadth of view. There is nothing more important to the success of new projects than the methods of settlement and financing the settlers. It is properly a matter of State cooperation rather than of Federal activity. As to the language that is in the bill, I do not want to hold the Director of Reclamation responsible for it, but I think I am justified in saying that the language that we have in the bill has his complete and thorough indorsement.

Mr. LEAVITT. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. LEAVITT. I talked with the director about this, and he was rather surprised to notice that no construction should start until that provision should have been met.

Mr. CRAMTON. I do not know about that, but I discussed it with him. The situation on that particular project is, of course, a little more involved. As I understand it, the construction now under way will provide additional water facilities for about 40,000 acres of land, and new and complete facilities for 40,000 acres more. That involves 80,000 acres, which is as much as the San Carlos project in Arizona involves. To what extent the contracts may be held to apply to the 40,000 acres partially supplied with water and partially developed is a problem. I will say to the gentleman that it will be the desire of the committee, of course, as we go on taking the successive steps in this bill, to proceed in the light of the best information we have, considering all the matters that the gentleman has suggested.

Mr. RAKER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from California moves to strike out the last word.

Mr. RAKER. Mr. Chairman, I can hardly express my views in language that I would really like to use regarding some of the provisions of this particular item. We had about a month's work on the committee. We had only three witnesses, and those were members of the fact finding commission. We were unable to get outsiders or others to testify. While there is no opposition or obstruction or intention to obstruct legislation, there are many provisions here that I understand the fact finding commission has not suggested. Some of them are almost revolutionary. I will read one of them:

That until one-half of the construction charges against that land shall have been fully paid, no sale of any such land shall be valid unless and until the purchase price involved in such sale is approved by the Secretary of the Interior.

Now, in America one of the things we have stood for for years is the right to dispose of property; yet here you are building up a system by which a man can not sell or develop unless one-half of the whole construction charge has been paid or unless he goes down to the Secretary of the Interior and gets his consent. I am just calling the attention of the chairman of the committee to the unfortunate situation we are in.

Mr. CRAMTON. But the gentleman from California, who is so well informed on reclamation matters, knows, first, that the bulk of the lands to be developed hereafter are privately owned lands?

Mr. RAKER. I thoroughly agree with the gentleman on that.

Mr. CRAMTON. Second, the minute you start a project those lands take on a speculative value and, third, unless we restrict it the private owner, through the force of human nature, is going to sell that land at the highest speculative price he can secure. The result, therefore, is that the benefit of the liberal provisions the Government makes in developing these projects will go to the land speculator and none of it to the settler, so that the settlers on these projects during the years are groaning, not under obligations they owe the Government, but under obligations they owe locally or obligations secured at higher rates of interest, either to buy that land at speculative values or in financing its development.

The CHAIRMAN. The time of the gentleman from California has expired. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

Lower Yellowstone project, Montana-North Dakota: For operation and maintenance, continuation of construction, and incidental operations, \$180,000.

Mr. WATSON. I would like to call the chairman's attention to the fact that the words "continuation of construction, and incidental operations," are rather indefinite. They appear on page 71, line 20. Is the appropriation for all of the Yellowstone project or does it simply mean a part of it, and does operation and maintenance refer to a section of the Yellowstone project or to all of it?

Mr. CRAMTON. The item is for the lower Yellowstone project, but that, of course, does not mean all of the water rights that would be available on the Yellowstone River. There has been some question about those in the park or adjacent thereto, but, of course, this item has nothing to do with any except where the construction is already authorized.

Mr. WATSON. What construction does the \$180,000 involve?

Mr. CRAMTON. Well, \$100,000 of the \$180,000 is for drainage construction. The hearings show that:

About 5,000 acres have a water table within 4 feet of the surface and it is estimated that the amount requested will provide drainage for 4,000 acres of this land.

Five thousand dollars is to be expended on the distribution system, on some minor lateral extensions, additional turnouts, and so forth, and for operation and maintenance, \$75,000. So the gentleman will see there is no extension of the project involved.

Mr. WATSON. Does this include the building of roads or bridges?

Mr. CRAMTON. No; not generally speaking, but I would not say that under operation and maintenance there might not be some small item of that kind. But generally speaking that is not involved in this.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn.

There was no objection.

The Clerk read as follows:

North Platte project, Nebraska-Wyoming: For operation and maintenance, continuation of construction, and incidental operations, \$510,000: *Provided*, That any unexpended balance of any appropriation available for the construction of the Guernsey Reservoir and incidental operations for the fiscal year 1925 shall remain available for such purposes during the fiscal year 1926: *Provided further*, That all net revenues from any power plant connected with this project shall be applied to the repayment of the construction costs incurred by the Government on this project until such obligations are fully repaid.

Mr. SIMMONS. Mr. Chairman, I move to strike out the last word. The Budget recommended for the North Platte project, as I understand it, \$520,000, while this bill calls for \$510,000. I am advised that the additional \$10,000 which is not included in this bill is for putting in effect the classification of lands on the North Platte project under the provisions of the law that was attached to the deficiency bill. Doctor Mead has advised me that that \$10,000 is necessary, and I am wondering whether the chairman of the subcommittee will not consent to having that changed without the necessity of offering a motion to that effect, in order that we can give that project the money it needs. Doctor Mead says it is necessary and the Budget recommended it. I dislike to ask the committee to vote on it if the chairman is willing it should be done. The testimony regarding it, if the chairman pleases, is to be found on page 433; that is, the testimony regarding this item of \$10,000.

Mr. CRAMTON. I will say, Mr. Chairman, that the item of \$10,000, as I recall it—I have not been able to locate it yet in the hearings—was for a reclassification of lands involved in this project that are not now under operation.

Mr. SIMMONS. No; I think the chairman misunderstands that. It is for a reclassification of all of the lands that are now in operation under the project in order to comply with the repayment provisions in the law that went to the President the first of this week.

Mr. CRAMTON. I see Mr. Walter's statement to the effect that \$10,000 is to provide for the reclassification of about 113,000 acres of irrigable land as recommended by the committee of special advisers on reclamation. However, the legislation is very incomplete as yet. Under the present legislation, as I understand it, even if you get that land reclassified you do not know what you are going to do next about it, and the desire of the committee and the policy we have followed in this bill was to hold down just to the minimum extensions, and so forth, and new ventures, until this matter of legislation is straightened out by the proper legislative committee.

Mr. SIMMONS. If the chairman pleases, this is not an extension and not a new venture.

Mr. CRAMTON. I understand that; but it is the expenditure of \$10,000 that some time ought to be paid back by those people, and we hope it will be. But I do not understand that the program of legislation is thoroughly completed in order to be sure it is worth while to spend that \$10,000. And, further, if I may answer the gentleman, as I understand it, there is going to be a year or two yet in which they can reclassify, and then we can determine about spending the \$10,000, after we know what kind of a law we are going to have. I think in the interest of the gentleman's constituents we ought not to authorize this further burden upon them until that legislation becomes more tangible and more definite than it is now.

Mr. SIMMONS. If the gentleman please, the Director of Reclamation ought to know what is necessary, and he has advised me that this \$10,000 is needed.

Mr. CRAMTON. I have gotten far enough along with Doctor Mead to think that if you gentlemen from the West would

accept his judgment throughout and take the position on all the big things that you take on this little matter of \$10,000, I would be willing for you to have the \$10,000, and the Treasury would be several million dollars ahead. The gentleman agrees with the director just on this item, but when we come to something else he may not agree with him so thoroughly. The pro forma amendment was withdrawn.

Mr. RAKER. Mr. Chairman, I move to strike out the proviso beginning on page 72, at line 4, and ending with line 8; and, pending that, I would like to ask the chairman a question. Does this proviso authorize the collection of the amount due in excess—

The CHAIRMAN. Will the gentleman pardon the Chair? Did the gentleman move to strike out the proviso?

Mr. RAKER. In the interest of time, Mr. Chairman, I move to strike out the last word in order to ask the chairman of the subcommittee whether this proviso authorizes the Reclamation Service to take the net revenues and pay off this debt without its being deposited in the Treasury and appropriated?

Mr. CRAMTON. Yes; I think that would be the result.

Mr. RAKER. Now, that is the only case we have remaining in all these governmental activities where we can take the revenue and handle it without its being deposited in the Treasury and then authorized by Congress.

Mr. CRAMTON. The entire reclamation fund, in so far as it derives any revenues from return of construction costs or from operation and maintenance, is handled in just that same way.

Mr. RAKER. It does not have to be deposited in the Treasury and then appropriated?

Mr. CRAMTON. In order to spend it again you would have to come to Congress, but we let them put the money in the Treasury without any let or hindrance. The only trouble is to get them to do it.

Here is what the proviso means: We are going to build a power plant, and that is going to reduce the cost of operation and maintenance, and there may be a profit in the power they may sell to private individuals. In one project in the Southwest we did that, and they are getting enough profit off of the operation of the power plant to pretty much take care of operation and maintenance, but they are only paying us back in dribbles in 20 years, without interest during all this time. We now propose that when we put up a power plant and they can sell the power and make some profit, as well as reduce the cost of operation and maintenance on the power which they use, any net profit shall immediately be applied to repay what they owe the Government.

Mr. RAKER. That sounds proper, with that explanation.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Newlands project, Nevada: For operation and maintenance, continuation of construction, and incidental operations, \$167,000, together with the unexpended balance of the appropriation for this project for the fiscal year 1925, of which amount \$245,000 shall be used for drainage purposes, but only after execution by the Truckee-Carson Irrigation district of an appropriate reimbursement contract satisfactory in form to the Secretary of the Interior, and confirmation of such contract by decree of a court of competent jurisdiction and final decision on all appeals from such decree.

Mr. RICHARDS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Nevada offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RICHARDS: Page 72, between lines 19 and 20, insert:

"Spanish Springs irrigation project, Nevada: For continued investigations, acquisition of rights of way and reservoir sites, commencement of construction, if found feasible, and incidental operations, \$500,000."

Mr. RICHARDS. Mr. Chairman and gentlemen of the committee, I have offered the amendment because it is in keeping with the recommendation of the fact finding commission. It has been recommended by the Secretary of the Interior. It has been estimated by the Bureau of the Budget and allowed at this amount.

Nothing, I might say before this committee at this time, I hope, shall be construed as antagonistic toward any person or any committee or any project, but this matter is of considerable and vital interest to the people of my State, and my sole desire is to lay before the committee what I think to be facts, constituting an unjustifiable discrimination, so far as leaving out this project is concerned.

The President of the United States, in his message delivered to Congress on December 3, 1924, gave his approval of such

amendment. The President, in his message, under the title of reclamation, gave his approval in the following language:

Our country has a well-defined policy of reclamation established under statutory authority. * * * Legislation is pending based on the report of the fact finding commission for the proper relief of those needing extension of time in which to meet their payments on irrigated land and for additional amendments.

I take that to mean just this kind of an amendment—one that is necessary and essential in order to properly fulfill the obligations of this Government.

The President, by such unequivocal statement, gave his earnest approval to the recommendations of the Special Advisory Committee on Reclamation which was appointed by Secretary of the Interior Work last year and which began its sessions at the Interior Department building in Washington on October 15, 1923, and filed its report with the Department of the Interior on the 10th day of April, 1924.

This committee is commonly known and described as the fact finding commission.

On the 21st day of April, 1924, the President submitted to Congress the report of this special advisory committee or fact finding commission.

The special advisory committee consisted of Thomas E. Campbell, former Governor of Arizona, chairman; Dr. John A. Widtsoe, former president of the State University and Agricultural College of Utah, secretary; James R. Garfield, of Ohio, former Secretary of the Interior; Elwood Mead, now Commissioner of Reclamation and at that time professor of rural institutions in the University of California, and chairman California State Land Board; Oscar Bradfute, of Ohio, president of the American Farm Bureau Federation; and Clyde C. Dawson, of Colorado.

The report of the special advisory committee was unanimous.

The special advisory committee in dealing with the Spanish Springs project treats it as a supplemental project to the Newlands project. It is discussed in recommendations under the general discussion of the Newlands project, Nevada, and is found on pages 182 and 183 of the report. The committee under such recommendation has this to say in part:

The Newlands project was among those first selected and authorized after the passage of the reclamation law.

The engineering features were carefully considered, the water supply based upon the use of storage in Lake Tahoe, and the agricultural study of soils made in accordance with then known scientific methods. It seemed to offer climatically, agriculturally, and physically an opportunity for a successful project.

The original possible area was thought to be about 450,000 acres; that was early reduced to 397,000 acres and later to 206,000 and finally to 73,000, when it was found, as a result of years of legal controversy, that the expected use of the water of Lake Tahoe was not available.

The unexpected failure of storage is the underlying cause of the difficulties from which the project has suffered. Unusual drainage and seepage condition and the existence of 20,000 acres held by a few owners with a prior water right, which became impotent because of the failure of the expected storage, added to the difficulties of the project.

The committee is satisfied that the proper course to pursue is the construction of the Spanish Springs Reservoir; otherwise the interests of both the settlers and the Government will be seriously jeopardized.

We recommend—

1. That the construction of the Spanish Springs extension be authorized, subject to Resolution No. 8.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent to proceed for 15 minutes. This is of vital interest to my people.

Mr. CRAMTON. Can not the gentleman make it five minutes?

Mr. RICHARDS. No; I will make it 10 minutes.

The CHAIRMAN. The gentleman from Nevada asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. RICHARDS. Following this report, and in accordance with the recommendations therein contained, Secretary of the Interior Work, in preparing the estimates for his department for the fiscal year ending June 30, 1925, requested an appropriation of \$800,000 for the continued investigation, commencement of construction, and incidental operations of the Spanish Springs project. The Bureau of the Budget approved such estimate and requested and included the item of \$800,000 for

the Spanish Springs project in the Budget. Later, reduced to \$200,000, such appropriation was not agreed to by the House.

When the bill reached the Senate an amendment was offered to the bill by Senator PITTMAN, of Nevada, carrying an appropriation of \$800,000 for the Spanish Springs project. The amendment was unanimously adopted by the Senate. It then went into conference. It was one of the few Senate amendments that the conferees of the House refused to agree to.

In the face of the fact that it was one of only two projects recommended by the special advisory committee, the Secretary of the Interior, and estimated for by the Bureau of the Budget. To substantiate this, I read from the hearings of the second deficiency appropriation bill, 1924, page 459, under the heading—

PROJECTS RECOMMENDED BY FACT FINDING COMMITTEE FOR IMMEDIATE APPROPRIATION

Doctor MEAD. The question was asked whether there had been other recommendations beside the North Platte and the Spanish Springs, and I said, "Yes; but they were subject to investigation."

I would like to insert this morning, so that it would be perfectly clear, exactly the statement of the recommendations.

Doctor MEAD (reading):

"As to the proposed new projects—Owyhee, Vale, Salt Lake Basin, and Kittitas—the committee has not sufficient information upon which to make specific recommendations."

Mr. CRAMTON. So that it remains that this North Platte addition and the Spanish Springs Reservoir as an extension of the Newlands project are the only items that your service or the Interior Department are as yet prepared to urge for immediate appropriation without further investigation?

Doctor MEAD. That which I have read represents the attitude of the advisory board.

The CHAIRMAN. You are going to quote the Secretary now, are you, Doctor?

Doctor MEAD. Yes.

The CHAIRMAN. Is that in a communication to somebody?

Doctor MEAD. I am going to read from a letter of the Secretary to General Lord; a letter dated May 16.

The CHAIRMAN. Do you think you had better read the whole letter or just part of it?

Doctor MEAD. It will not take long; I will read the whole letter.

WASHINGTON, May 16, 1924.

Brig. Gen. H. M. LORD,

Director of the Bureau of the Budget,
Washington, D. C.

MY DEAR GENERAL: Your letter of April 30 was duly received, stating that the President finds it inconsistent with his financial policy to approve the estimates for the Owyhee, Vale, Salt Lake Basin, and Kittitas proposals that were recently submitted as a part of a supplemental budget for reclamation work.

At the subsequent hearing I understand you reiterated the foregoing and it was understood that there would be submitted a reduced supplemental estimate covering the following:

North Platte project, commencement of Guernsey reservoir, etc., \$800,000; Spanish Springs project, \$200,000; investigations, \$150,000. Estimates are transmitted herewith accordingly.

If I am correctly advised, the difference between the policies involved in the original supplemental estimates submitted by this department and your direction to eliminate certain proposed projects or units is that the department having, on the advice of the committee of special advisers selected certain projects as apparently feasible, recommended appropriation for completion of investigations and beginning of construction and operation, while your view was that until all investigations were completed no appropriation should be made for construction or operation.

The department already has much data concerning each project or unit described in said estimates and thought that the remaining investigations could be carried on as a preliminary to subsequent construction. The limitations which accompanied each of said estimates were designed to protect the United States by the exaction of appropriate contracts with duly organized districts, and with legal assurances that large landowners would divide their holdings and dispose of them to settlers at reasonable prices.

Under these conditions, and with these safeguards, I felt it proper to make the original recommendations and would be glad to have you give them further consideration, with the foregoing in mind. At the same time, in accordance with your direction, there has been prepared and is herewith submitted new supplemental estimates, confining the appropriations to the amounts fixed by you.

I quote from the report of the advisory committee on reclamation, merely for further information and because germane to the subject under discussion:

"As to the proposed new projects, Owyhee, Vale, Salt Lake Basin, and Kittitas, the committee has not sufficient information upon which to make specific recommendations. Attention is called to the fact that the estimated costs of construction are nearly all in excess of \$120 an acre. The committee is of the opinion, based upon the reports of annual production from lands now under irrigation, that projects requiring such acre cost as above suggested should be constructed only after it is clearly shown that the lands when irrigated can produce annual crop values sufficient to enable the settlers to repay costs from production and within a reasonable time.

"It is understood that the above projects are those which offer the most favorable conditions for present investigation, and hence the committee is of the opinion that the appropriations therefor should be authorized, but with the provision that further investigation should be made of their feasibility, and that, if finally selected, they should be constructed and developed in accordance with the general resolutions of this committee."

Very respectfully,

HUBERT WORK.

Mr. CRAMTON. So that situation boils down to this: That the Secretary of the Interior would have liked to have had appropriations for a number of projects joining with that permission for further investigation, to satisfy himself whether the money ought to be spent or not. That, when it is required that he present only those projects on which the department is prepared to take immediate responsibility of saying whether they are now satisfied that this money should be spent for these purposes, the only items that the department is prepared at this time to recommend are the North Platte and the Newlands, the items that we have under discussion.

The result of the fight for this amendment in the Senate resulted in the conference report being referred back to the conferees with instructions to insist upon the Spanish Springs amendment. No action had been taken upon the conference report at the time of adjournment of Congress.

On the 2d day of this month the chairman of the Appropriations Committee of the Senate asked unanimous consent to reconsider the order by which the conference report had been referred back to the conferees with instructions to insist upon the Spanish Springs amendment, and Senator PITTMAN, of Nevada, joined in the request. The conference report upon the second deficiency appropriation bill was thereupon adopted by the Senate.

Senator PITTMAN, then on the floor of the Senate, supported the motion of Senator WARREN to recede from the Senate amendment in favor of Spanish Springs, and stated in supporting said motion that he was assured that such amendment would become a part of the Interior Department appropriation bill for the fiscal year ending June 30, 1926. It is entirely left out of the bill.

When the item was under consideration before the subcommittee of the Committee on Appropriations for Interior Department appropriation bill for 1926, Dr. Elwood Mead, Commissioner of Reclamation, appeared before such committee and made the following statements on behalf of the proposed appropriation for the Spanish Springs project:

(Page 443 of the hearings)

SPANISH SPRINGS PROJECT, NEVADA

Mr. CRAMTON. The next item, which is for the Spanish Springs project, Nevada, is as follows: For continued investigations, commencement of construction, if found feasible, and incidental operations, \$500,000.

Doctor MEAD. In connection with that, I offer the following statement:

For continued investigations, commencement of construction, if found feasible, and incidental operations, \$500,000.

The primary purpose of this storage system is to provide an adequate water supply for the irrigation of land under the Truckee Canal, a part of the Newlands project, amounting to about 21,000 acres. About 7,000 acres of this have been settled, but the water supply for its irrigators has proven so inadequate that the remainder of the land has been withdrawn from settlement and is now of no value to the project. The Truckee Canal and dam cost \$1,683,816. Its operation for the limited area of land now irrigated is unprofitable. In order to improve the financial situation of the Government by increasing the use of this canal and conserving the flood and waste waters of the Truckee River, a matter of great importance to Nevada because of the State's limited population, it is proposed to build a storage work large enough to hold the dependable flood supply of the stream. Investigations to date indicate that there will be sufficient water to irrigate 39,000 acres of land, now irrigated by the Newlands project. The greater part of this would be within the original boundaries of the project, and about 18,000 acres outside those boundaries. An economic survey has been made to determine the suitability of the land for irrigation culture, and I submit a summary of its conclusions.

On page 445 continuing, Doctor Mead further said:

The investigations have been pretty well completed on this project. The situation is this: That when the original Newlands project was carried out a canal and a dam from the Truckee River were built at an expense of \$1,683,000. This was done under the belief that a dependable water supply could be obtained by the regulation of Lake Tahoe. Subsequently, litigation with water-power interests led to an agreed decision that has made it impossible to regulate the flow of that river. The result is that of the land underneath that canal only 7,000 acres was settled. Then it was discovered that there was not water for this area, and the rest of the land was withdrawn.

So that we have there now an investment of over a million and a half that is unprofitable, the operation expenses are heavy, the income is small, and some of the best land is below it.

Mr. CRAMTON. And now why is it, Doctor, if you have made your investigations, why do you not make a report on this one way or the other; if you have completed your investigation, why do you not either recommend or deny this project?

Doctor MEAD. Well, I do recommend it.

Mr. CRAMTON. What I am asking you now is this: Whether you have decided the questions that are preliminary to the approval of the project; first, do you consider it a feasible project?

Doctor MEAD. Yes.

Mr. CRAMTON. Next, are there any of these conditions that you speak of that can not be surmounted, as to limitation upon the price of the land and the method of settlement, and so forth?

Doctor MEAD. This is one of the places where the greater part of the land is public lands.

On page 462 of the hearings, as follows:

Mr. CRAMTON. It is the duty of the Reclamation Service to investigate and pass upon these projects. You are the technical branch of the Government having to do with this, and the present law contemplates that your recommendations will come to Congress. Congress will act, first, in approving the project, and, second, in appropriating the money to build it. What is the recommendation of your office with reference to the Spanish Springs Reservoir?

Doctor MEAD. I recommend that it be built, and, coupled with that recommendation, that there be a change in the settlement law.

Now, mind you, in the face of these facts, when the second deficiency bill received consideration originally—I do not know what the ultimate allowances were, but originally there was \$1,250,000 for Owyhee, Vale \$250,000, Salt Lake Basin one million and a half, and Kittitas one million and a half—\$4,500,000 was provided for in that bill for these four reclamation projects that were not ready for recommendation according to the advisory committee.

Mr. LEATHERWOOD. Will the gentleman yield? I know he does not want to mislead.

Mr. RICHARDS. I do not.

Mr. LEATHERWOOD. There was only \$375,000 carried in the deficiency bill for the Salt Lake Basin.

Mr. RICHARDS. I said I did not know what the ultimate allowances carried in the bill were.

Mr. LEATHERWOOD. That whole amount was not appropriated.

Mr. RICHARDS. I said I did not know the ultimate figures appropriated, because I have not been able to get a copy of the deficiency bill as it passed. But be that as it may, here are appropriations made in the deficiency bill for projects that the fact finding committee said they were not ready to recommend, in view of the fact that the only projects that were recommended were the North Platte and the Spanish Springs, and Spanish Springs is now conspicuous by its absence. That seems to me to be an unjust discrimination against the Spanish Springs, and if it is not I do not know what discrimination is.

I do not stand before you advocating the spilling of the Nation's millions in the middle of a Nevada desert just for the sake of spending them. Reclamation will be the one great boon to my section of the world if properly conducted. The ultimate end will be developed country, contented Americans owning their respective homes, and increased taxable wealth added to the Nation and prosperous communities instead of an otherwise barren waste. All this is the desired end, but it must rest on a sound business policy to commence with. All interests must be considered. The ultimate refund of the Government's money, the certainty of the settler to make good, and the general safeguarding of all rights, vested and to become vested, by adequate and proper reclamation laws. This I am convinced to be the sole aim and desire of those now

formulating the future reclamation policy of our Government. I most sincerely hope to see it accomplished.

The CHAIRMAN. The time of the gentleman from Nevada has again expired.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Chairman, I shall take only a minute or two to make the position of the committee clear. This is a big new project. It involves additional water rights to about 7,000 acres, a complete new development of a large area. I asked Doctor Mead why they came in the Budget in this language in connection with this proposed item:

For continued investigation, commencement of construction, if found feasible, and incidental operations.

I said, after some discussion:

That is to say, that proposes that Congress shall appropriate this money and leave it up to the Reclamation Service whether it will be built or not.

To that Doctor Mead replied as follows:

Doctor MEAD. There are a number of things embraced in the term "feasibility." We will have to determine how this unoccupied land is to be settled; we will have to make an arrangement for the creation of a district and secure a contract with that district before construction begins if the appropriation is made.

Mr. CRAMTON. What I am asking you now is this: Whether you have decided the questions that are preliminary to the approval of the project; first, do you consider it a feasible project?

Doctor MEAD. Yes.

That is on page 446 of the hearings. Then, on page 461 of the hearings—and I think this refers to the report that has been made of an investigation this summer by various local engineers and Federal and business men—I find the following:

Mr. CRAMTON. You have received that report, which I understand is a favorable report; is that right, Doctor?

Doctor MEAD. Yes; it is favorable in this way, that it recommends the project as feasible, provided changes in method of development are adopted. It basis its favorable conclusion on this change in the method of settlement.

Mr. CRAMTON. That is, that you be authorized to select the settlers?

Doctor MEAD. Yes.

Mr. CRAMTON. Without that authority the report would not recommend that the project be attempted. You have no authority under the present law, and this committee, of course, can not give you any authority of that kind.

Doctor MEAD. No.

Again, farther down on the same page, I quote the following:

Mr. CRAMTON. So that is what you mean by feasibility. Your idea would be more clearly met if instead of using the language that is here we should appropriate the money and say, "provided none of this money shall be available until Congress gives the Reclamation Service the authority to select the settlers." That expresses your idea?

Doctor MEAD. Yes.

They have not that authority yet, as I understand it, and Doctor Mead does not recommend commencing the construction of this project. I do not believe we ought to start any other new projects now. We should not have started some of these others, but that was done when we could not help ourselves. We ought not to start any more until the law becomes clear.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. RICHARDS. There are 7,225 actual water applications on the Newlands project not now supplied with water, and is not this the real source from which the Government can keep its contract and is there not an obligation?

Mr. CRAMTON. Let us keep them clear. One is the Newlands project, where they want additional water, and the other is a much larger area to be provided for by this expenditure of \$6,000,000. As to the new area to be provided for, Doctor Mead says that until he has the right to select the settlers instead of being obliged to accept the one who draws a ticket by lot and who goes on there not knowing anything about it, who can not make a success, and who ruins the reputation of reclamation and keeps the money out of the Treasury, we ought to wait. As to those on the Newlands project, I do not know whether what I am about to say will be news from home to my friend or not, but I received this telegram this morning:

FALLON, NEV., December 5, 1924.

Congressman LOUIS CRAMTON,

House of Representatives, Washington, D. C.:

We heartily indorse your stand on Spanish Springs. The settlers on Newlands project are against it to a man. Why waste millions of Government money building new projects when ours is not half settled, besides robbing us of our water supply? Please wire us to-day names of Senators that would help us in this fight against Spanish Springs.

THE LAHONTAN VALLEY WATER USERS' ASSOCIATION,
L. A. BECKSTEAD, Secretary.

As I did not want to be embarrassed by starting any movement in the Senate against this, I simply replied as follows in acknowledgment to that telegram:

DECEMBER 5, 1924.

L. A. BECKSTEAD,

Secretary The Lahontan Valley Water Users' Association,

Fallon, Nev.:

Your wire received. The Senators from Nevada would no doubt be interested in the expression of your views if you have not already advised them.

LOUIS C. CRAMTON.

I probably should have also told them to get in touch with the Member from that State in the House, but they merely asked me about the Senate and I let it go at that.

Mr. RICHARDS. Mr. Chairman, in reply to that I want to state to the gentleman that I have a wire from Truckee-Carson irrigation district requesting that the action of the fact finding committee be put into law as far as it can be.

Mr. CRAMTON. And Doctor Mead, a member of the fact finding committee, says that this project should not be built until this program of legislation is completed and there is some provision for this selection of settlers.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RICHARDS. Mr. Chairman, I would like to ask the gentleman in charge of the bill a question. In so far as the law authorizing action on the part of the Reclamation Bureau to spend money appropriated when it should be spent, I am just wondering whether the annual report of the Secretary of the Interior, on page 7, has any bearing. Referring to the law as embraced in the deficiency bill, the language of the report is as follows:

In a special message to the Sixty-eighth Congress the President urged that the legislation suggested by the special advisory committee be enacted into law, pointing out that a definite policy is imperative. This legislation failed in the last hour of the last session of Congress. In my opinion, the future of Federal reclamation depends on the prompt enactment of this legislation at the coming session. Public approval of this measure since Congress adjourned would justify its prompt passage.

I wonder if it has passed in the desired form?

The CHAIRMAN. The time of the gentleman from Nevada has expired.

Mr. CRAMTON. Mr. Chairman, I merely say that the deficiency bill contained legislation which in the view of the service is incomplete and must be supplemented with reference to settlement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nevada.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Williston project (formerly North Dakota pumping project), North Dakota: The Director of Reclamation is authorized, during the fiscal year 1925 or thereafter, to appraise the buildings, machinery, equipment, and all other property of whatever nature or kind appertaining to this project, and to lease or to sell the same at public or private sale, on such terms and in such manner as he may deem for the best interests of the Government, reserving the right to reject any and all bids. The proceeds from such lease or sale shall be paid into the reclamation fund.

Mr. SINCLAIR. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 73, line 2, after the words "North Dakota," strike out all the remainder of the paragraph and insert in lieu thereof the following: "For operation, maintenance, and incidental operations, \$50,000."

Mr. RAKER. Mr. Chairman, a point of order. Would it be too late to reserve a point of order on the original paragraph?

The CHAIRMAN. The Chair thinks it is.

Mr. RAKER. It has not been debated.

The CHAIRMAN. But an amendment has been offered. The Chair will be glad to hear the gentleman, if he can show any authority to the contrary. The Chair's recollection is that a point of order must be reserved to a paragraph before an amendment is offered.

Mr. RAKER. I thought before debate began.

The CHAIRMAN. That is the Chair's recollection. Of course, the point of order would lie to an amendment offered.

Mr. RAKER. I want to make a point of order to the paragraph.

Mr. CRAMTON. Mr. Chairman, I make the point of order it is too late to make a point of order against the language of the bill, as an amendment to the bill has been offered, which is the same as debate.

Mr. RAKER. There has not been any argument. I am trying to get the matter before the Chair, and I think I will make the point of order and present it to the Chair on the ground that it is new legislation on an appropriation bill. It is legislation authorizing and directing the sale of this project.

Mr. CRAMTON. I want to do the thing that is going to be the quickest. The gentleman's point of order would not get anywhere under the language of the Kelp decision referred to yesterday; but there has been an amendment offered to the paragraph here, and I make the point of order it is too late to make a point of order to the paragraph in the bill.

Mr. RAKER. Let the Chair pass on the question. I have not the time, but the point of order the gentleman argued the other day and this are entirely different, because it is legislation authorizing the Director of the Reclamation Service to sell a project. He certainly has power now; but the Chair is ready to rule and I do not care to argue the question.

The CHAIRMAN. Unless the gentleman from California can cite the Chair to some authority to the contrary, the Chair will hold that it is too late to make a point of order against the language in the paragraph after an amendment on the merits has been offered.

Mr. RAKER. Let me do this—well, at present I will withdraw the point of order.

The CHAIRMAN. The gentleman from California withdraws the point of order.

Mr. RAKER. That will relieve the rendering of a decision at this time.

Mr. SINCLAIR. Mr. Chairman, this Williston project is one of the first projects and one of the smallest projects in the whole Reclamation Service. As I understand the report of the fact finding committee, they recommend the discontinuance of this project because it has failed to pay operating expenses in the past three years, using the past three years as a basis. Now, it seems to me that if that is going to be the policy of the Government with reference to irrigation and reclamation questions we are going gradually to close up all of our irrigation projects, because certainly during the last three years a great many projects have not been paying operating expenses. At this time it seems to me that the Committee on Appropriations has chosen a very unfair time in which to put in operation any such policy as that. We all know that farming, the business of agriculture, has been unprofitable along every line, and quite so, of course, in irrigation. Now last year, 1923, on this project there was raised a gross value of farm crops of something like \$24.15 per acre. If that could be continued and the operation costs maintained at a reasonable figure, certainly the project will be put on a paying basis. The facts are, of course, that the operating expenses have been so high that many settlers have been forced off their farms, have lost their farms, but to-day there are something like 144 farms still remaining on this project. There are 7,650 acres capable of irrigation under this project, but because of the deplorable condition of farming and the heavy payments that were to be made much of the land was abandoned until only 1,170 acres were actually under irrigation last year. Under the new and more liberal policy incorporated in the bill passed this week, I have no doubt but that all of the 7,650 acres would be resettled and brought under a high state of irrigated cultivation, and the project thus made a success.

I maintain that it is not right, it is not fair to those farmers, to now dispose of their project and take away the operation of it at a time when they are not financially able to take care of it themselves. There certainly seems to me to be an obligation there that the Government owes to the farmers who are on this project.

Further than that, I believe that the chairman will agree with me when I say that no congressional district in the United States has supplied a greater portion of the irrigation fund than has the third district of North Dakota. The total amount of money coming from the State of North Dakota and used for irrigation purposes amounts to over \$12,000,000. This is the only project wholly within the State, and should receive consideration from this Congress on that account.

Mr. RAKER. Mr. Chairman, will the gentleman yield to a question right there?

Mr. SINCLAIR. I shall be very glad to.

Mr. RAKER. Under the new bill, if it is signed, this project, like the rest, can get on its feet without question, because it will have to pay only 5 per cent of the gross proceeds of production on that project.

Mr. SINCLAIR. I think so. The new bill that has been passed will enable the farmers on this project, like those on all the other projects, to get on their feet, and they can have some hope; they can go on and resettle the vacant lands that are now subject to irrigation and put them under operation.

Mr. RAKER. Have those people had any opportunity to oppose this legislation that is to set them out of their homes?

Mr. SINCLAIR. No. As you know, Members of Congress have not had an opportunity to present any facts with reference to the legislation in this bill at all. It seems to me that before this policy was adopted a full hearing should have been had and the districts affected should have had an opportunity to present their side of the case.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. SINCLAIR. May I have one minute more?

The CHAIRMAN. The gentleman from North Dakota asks unanimous consent for one minute more. Is there objection? There was no objection.

Mr. SINCLAIR. I just want to say in that connection that the failure of the settlers on this project has been for two reasons: First, the payments were too high, more than they could possibly make, and were limited to too short a time; and second, farmers were not instructed with reference to irrigated farming. Now a new policy has been adopted and new ideas have come in, and this land has been found to be the best kind of sugar-beet land. They are now raising sugar beets. A sugar-beet factory has been erected in the city of Williston and the business will be put upon a paying basis.

Mr. RAKER. May it not be a fact that some big sugar company wants to buy out the whole thing and take it from these farmers at a sacrifice?

Mr. SINCLAIR. I would not like to say that. I think the committee has acted in good faith. I would not have in mind such a thing as the gentleman has suggested.

Mr. CRAMTON. You do not have to look so far away as that for an excuse. There has been irrigated in this tract 1,160 acres. None of the construction cost has been paid back. The land is situated where they believe in irrigation only by spells. In a wet year they think irrigation is not necessary. In a dry year they know it is necessary. The appropriation last year was \$105,000. My friend from North Dakota, I think, says there are 240 farmers involved. I do not know how that can be with only 1,160 acres, but I would rather give them \$500 apiece and close down the works than to continue operation as it has been conducted hitherto. Every year it costs, outside of construction costs, more to maintain than is derived from the project. I have the figures here. The average of four years in cost was \$84,000; collections, \$53,000; or a net loss to the Treasury of \$31,000 each year.

Mr. SINCLAIR. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. SINCLAIR. The gentleman has included in those costs some betterments.

As a matter of fact, in 1922, despite the adverse conditions, and the inclusion of certain sums for permanent improvements, the project came within \$7,286.21 of paying all expenditures upon it. The actual cost of operating and maintenance of this plant for the past six years is as follows:

1919,	\$44,266;	per irrigable acre,	\$6.61.
1920,	\$50,198;	per irrigable acre,	\$7.50.
1921,	\$39,852;	per irrigable acre,	\$5.96.
1922,	\$29,219;	per irrigable acre,	\$4.27.
1923,	\$28,795;	per irrigable acre,	\$4.31.
1924,	\$28,000;	per irrigable acre,	\$4.19.

These figures prove that the operating costs are being constantly reduced, and I do not think there is a doubt but that if the project can be continued it will soon be on a self-sustaining basis.

Mr. CRAMTON. One year there were some betterments. The truth is that the principal business we are in up there is not to furnish water for this tract of 1,100 acres. We are operating an electric-light plant for the town of Williston, and we are running a coal mine to get enough fuel to run our plant.

Now, the fact finding commission recommended that this project be wiped off of the slate. The language gives authority to sell or to lease, and it seemed to us very desirable that the Treasury be protected against any further losses there.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record by putting certain figures in the Record.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to extend his remarks in the Record by inserting certain figures. Is there objection? [After a pause.] The Chair hears none.

Mr. CRAMTON. Under the leave given I present the following:

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, December 2, 1924.

Memorandum on Williston project

This project was authorized in 1906 to irrigate an area estimated at 10,753 acres.

Area actually irrigated, 1923.....	Acres
Area actually irrigated, 1924.....	1,100

A part of this area is a State experiment farm maintained and operated by North Dakota.

Total construction cost of project.....	\$498,782.87
Total net investment, including operation losses.....	852,703.93
Amount indebtedness written off.....	178,667.20

Disbursement vouchers, calendar year 1923.....	64,312.39
Collection vouchers, calendar year 1923 (mainly power).....	43,002.83

Loss..... 21,309.54

With this data before it the fact finding commission recommended the following:

"No. 55, Williston project: The history and prospects of this project do not justify its further operation by the Bureau of Reclamation. The committee recommends:

"The Williston project be appraised and sold and the losses incurred charged to the reclamation fund."

A report on this project, made by Andrew Weiss in October, 1924, contains the following:

"Continuance of operations by the Reclamation Bureau can only be done with the full knowledge and understanding that losses must be accumulated, because the cost per acre can hardly be expected to come to less amounts than five or six dollars per acre, and, judging from experiences on other projects where farmers are situated much more advantageously than here, such a charge would be prohibitive and could be borne only by those owners of suburban plots or near-by truck farmers who are operating under special conditions and do not follow a general or diversified system of farming.

"RECOMMENDATION

"In view of the foregoing it would seem most desirable to effect a transfer of the works to the city by lease or sale with the proviso attached that service be furnished to those farmers who would choose to pay the cost of production of the necessary current to operate the pumping units needed for such purposes within the capacity of the plant. This plan will remove the present evils incident to mounting indebtedness of the project farmers, whose only hope for meeting them is by further appeals to Congress, and out of which usually develops a low regard for existing laws and obligations assumed thereunder, and a low estimate of, even a hostile attitude toward, the benefits so conferred."

ELWOOD MEAD, Commissioner.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, December 4, 1924.

Hon. LOUIS C. CRAMTON,
House of Representatives, United States,
Washington, D. C.

MY DEAR MR. CRAMTON: In the financial statement on the Williston project sent you, we gave the expenses and income as shown by vouchers for a calendar year, which was different from the fiscal year. I am sending you three statements with this letter. One shows the operating expenses and income for three fiscal years, 1922, 1923, and 1924. You will note that for these three years the actual loss has varied from nothing in 1922 to nearly \$50,000 in 1924, in each case with no recognition of losses from depreciation. This also

shows the appropriation made and the unexpended balances for each of these three years.

This table, No. 1, shows nothing but operating expenses and income. I am sending another table, No. 2, giving the voucher transactions for four years, which shows the total expenditures and collections, and that includes expenditures on construction and betterments.

Table 3 is an explanation of the item shown as operation and maintenance deficit written off. We are unable to find any definite agreement as to the writing off, but in the agreement of 1919, the deficit stated is ignored in the new contract, no provision being made for its payment.

Sincerely yours,

ELWOOD MEAD, Commissioner.

Williston project—Operating expenses and income

Item No.	Explanation	Commercial power	Irrigation	Total
1922				
1	Operation and maintenance costs.....	\$41,317.26	\$31,026.41	\$72,343.67
2	Operating income ¹	52,100.33	20,243.34	72,343.67
3	Balance.....	\$10,783.07	10,783.07	
1923				
1	Operation and maintenance costs.....	40,852.85	37,713.66	78,566.51
2	Operating income ¹	49,570.46	10,687.83	60,258.29
3	Balance.....	\$8,717.61	27,025.83	18,308.22
1924				
1	Operation and maintenance costs ¹	46,897.73	23,477.01	70,374.74
2	Operating income ¹	45,127.61	279.73	45,407.34
3	Balance.....	1,770.12	23,197.28	24,967.40

¹ On accrual basis.

² In addition to the operating costs, fiscal year 1924, \$27,984.18 was expended for construction of a land pumping station replacing the pumping barge, to be repaid as supplemental construction.

³ Gain.

APPROPRIATIONS

	1922	1923	1924
Appropriation act.....	\$115,000.00	\$115,000.00	\$100,000.00
Expended and obligated.....	70,070.95	75,879.78	98,906.78
Balance unencumbered.....	44,929.05	39,120.22	1,093.22

Project, Williston, N. Dak.

VOUCHER TRANSACTIONS¹

Fiscal year	Expenditures	Collections	Net investment ²
1924, Williston.....	\$99,116.36	\$45,526.59	\$53,589.77
1923, Williston.....	74,583.87	52,345.33	22,238.54
1922, North Dakota pumping.....	70,462.41	63,176.20	7,286.21
1921, North Dakota pumping.....	104,135.61	53,762.32	50,373.29
Total.....	348,298.25	214,810.44	133,487.81
Average, 4 years.....	87,074.56	53,702.61	33,371.95

¹ As printed in the annual reports.

² This figure is the amount the expenditures are in excess of collections.

NOTE.—These figures include all transactions for the respective fiscal years for irrigation, commercial power, for both construction and operation and maintenance.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, December 4, 1924.

MEMORANDUM

The item of \$178,667.20 shown as "Operation and maintenance deficit written off," Williston project, represents accumulated deficit to March 31, 1919, arrived at as follows:

Total operation and maintenance cost to Mar. 31, 1919.....	\$357,925.00
Less incidental operating revenues, such as rentals of buildings, temporary water rentals, etc.....	3,423.00
Net cost.....	354,502.00

Less:	
Operation and maintenance charges collected from water users to Mar. 31, 1919.....	\$10,965.00
Penalties on operation and maintenance charges collected to Mar. 31, 1919.....	46.00
Commercial power revenues to Mar. 31, 1919.....	164,823.80
Total income.....	175,834.80
Balance (deficit).....	178,667.20

By agreement of April 3, 1919, between the United States and the Williston irrigation district it was agreed that this district would pay to the United States the estimated construction cost of the project as announced by public notice of April 27, 1908, for the areas of irrigable lands shown upon farm-unit plats filed as part of such public notice and within the district boundaries, which amount was agreed to be \$290,803.74. The district also agreed to pay the full net cost of operating and maintaining the project from and after the date of execution of said contract of April 3, 1919. However, no provision is made for payment of the accumulated operation and maintenance deficit to that time. This deficit has therefore been considered a loss which eventually will have to be written off.

Mr. RAKER. Mr. Chairman, I move to strike out the last word. Mr. Chairman, this is one of the matters on which we spent some time before the Committee on Irrigation and Reclamation. The fact finding commission claimed there is some \$30,000,000 to be charged off, but it was only estimated. There was nothing concrete before the committee that the Government would lose a dollar. They told the committee that if the legislation were passed for which they asked there would not be a dollar lost to the Government and these people would get an opportunity to pay.

There has hardly been anybody in the West during this year or the last two years that has been able to pay. Practically every project named here is asking an opportunity to have a further extension of time, and the Congress passed a law extending the time of payment. Some of them have had an extension of two years and the balance three years, and most of them are going to get from 50 to 100 years in which to pay back the money they owe the Government. Yet they come in now for the purpose of ruining a reclamation project. I am not discussing the gentlemen on the committee, but I say there seems to be a deliberate purpose to do that, and without giving the committee having charge of this matter an opportunity to go into the facts and to show that the reclamation project is a success. They are coming here now and trying to abandon one project, to sell it or lease it, and make it appear that these reclamation projects are a failure. You have already legislated to give an extension of time on all the other projects, and every project for which you are appropriating money in this bill to-day will have time running from 20 years to 120 years.

You can not dispute the facts, and I think the committee ought not to permit it until we have a full and fair opportunity to investigate all of the facts relating to these projects. They ought not to be permitted to sell or lease one of these reclamation projects when a firm or corporation can come in and buy it for practically nothing and then turn around, improve it, and make half a million dollars out of it. It is not fair and it is not right.

The gentleman representing the district in which this project is located comes here and says these people want it, and it is simply a method by which the rest of the reclamation projects are to be squeezed out of existence, and to show you can not make a success of them. I hope the committee will not permit this to be sold and that it will permit an appropriation to be made so that it can be continued, and then this new legislation, which the fact finding commission says is so good, will go into operation.

Mr. SINCLAIR. Will the gentleman yield?

Mr. RAKER. Yes.

Mr. SINCLAIR. I will say to the gentleman that I am only asking for half as much as was expended on this project a year ago.

Mr. RAKER. Yes; and this would give your people a chance to live.

Mr. SINCLAIR. It would give them a chance to operate for a year, and perhaps find out what can be done.

The CHAIRMAN. The time of the gentleman from California has expired. The question is on the amendment offered by the gentleman from North Dakota [Mr. SINCLAIR].

The question was taken; and on a division (demanded by Mr. RAKER) there were—ayes 11, noes 17.

Mr. RAKER. Mr. Chairman, it is quite late, and I make a point of no quorum.

Mr. CRAMTON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SANDERS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 10020 had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SCHALL, indefinitely, on account of illness.

COMMITTEE VACANCY

Mr. LONGWORTH. Mr. Speaker, a vacancy exists on the Committee on the Merchant Marine and Fisheries due to the death of our former beloved colleague, Mr. Greene of Massachusetts. Mr. LEACH, of Massachusetts, has been elected to fill that vacancy in the House up to the 4th of March next, and I ask unanimous consent that he be assigned to fill the vacancy on the Committee on the Merchant Marine and Fisheries.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

ADJOURNMENT

Mr. CRAMTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.) the House adjourned until to-morrow, Saturday, December 6, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

692. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Mulberry Creek, Lancaster County, Va. (H. Doc. No. 482); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

693. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation, "that the Secretary of War be, and he is hereby, authorized and directed to transfer to the Treasury Department for quarantine purposes that portion of La Costa, Fla., occupied by the Treasury Department as a quarantine station under revocable license from the War Department dated January 27, 1903"; to the Committee on Public Buildings and Grounds.

694. A letter from the Secretary of the Navy, transmitting statement of 36 claims paid during the fiscal year ended June 30, 1924, for damage to or loss of privately owned property, for which damage or loss men in the naval service or Marine Corps have been found to be responsible; to the Committee on Expenditures in the Navy Department.

695. A letter from the chairman of the Federal Trade Commission, transmitting the annual report of the Federal Trade Commission for the fiscal year ended June 30, 1924; to the Committee on Interstate and Foreign Commerce.

696. A letter from the Attorney General, transmitting the annual report of the Department of Justice for the fiscal year ended June 30, 1924; to the Committee on the Judiciary.

697. A letter from the Acting Secretary of Commerce, transmitting statement of disbursements, contingent expenses, Department of Commerce, and general expenses, Bureau of Standards, for the years 1922 to 1925, inclusive, also statement of expenditures under all appropriations for the support of the Bureau of Fisheries during the fiscal year ended June 30, 1924, statement showing typewriters, adding machines, and similar labor-saving devices exchanged by the Department of Commerce during the fiscal year ended June 30, 1924, in part payment for new machines used for the same purpose, and statement showing in detail travel performed by officers and employees of the department who traveled on official business from Washington to points outside of the District of Columbia (other than special agents and other employees who in the discharge of their regular duties are required to travel) during the fiscal year ended June 30, 1924; to the Committee on Expenditures in the Department of Commerce.

698. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of the Rio Grande at El Paso, Tex.; to the Committee on Rivers and Harbors.

699. A letter from the chairman of the Federal Power Commission, transmitting report giving the aggregate number of publications issued by the commission during the fiscal year ended June 30, 1924, also statement in detail of travel taken by officers of the commission to points outside the District of Columbia during the fiscal year ended June 30, 1924, and statement showing typewriters, adding machines, and other similar labor-saving devices purchased during the fiscal year 1924; to the Committee on Appropriations.

700. A letter from the Secretary of War, transmitting annual report of inspection of National Home for Disabled Volunteer

Soldiers for the fiscal year ended June 30, 1924; to the Committee on Military Affairs.

701. A letter from the Secretary of War, transmitting reports of the Chief of Engineers, the Quartermaster General, the Chief Signal Officer, the Superintendent of the United States Military Academy, and the War Department Supply Division of typewriters, adding machines, and similar labor-saving devices exchanged during the fiscal year 1924 as part payment for new labor-saving devices purchased; to the Committee on Appropriations.

702. A letter from the Secretary of War, transmitting report of expenditures on account of appropriations "Contingent expenses, War Department," during the fiscal year ended June 30, 1924; to the Committee on Expenditures in the War Department.

703. A letter from the Secretary of War, transmitting a letter from the Chief of Ordnance, United States Army, with statement of the cost of manufacture for the fiscal year ended June 30, 1924, at the several arsenals and at the Springfield Armory, Springfield, Mass.; to the Committee on Expenditures in the War Department.

704. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, submitting abstracts of proposals received during the fiscal year ended June 30, 1924, for material and labor in connection with works under the Engineer Department; to the Committee on Expenditures in the War Department.

705. A letter from the Secretary of War, transmitting 481 reports of inspections of disbursements and transfers by officers of the Army, received in the office of the Inspector General during the fiscal year ended June 30, 1924; to the Committee on Expenditures in the War Department.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9715) granting an increase of pension to Louise W. Henderson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 9867) granting an increase of pension to Blanche Bunker; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10047) granting an increase of pension to Mary E. Croshier; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10049) granting an increase of pension to Emma L. Jessor; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 6845) granting an increase of pension to William Coleman; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. REED of West Virginia: A bill (H. R. 10348) authorizing the Chief of Engineers of the United States Army to accept a certain tract of land from Mrs. Anne Archbold donated to the United States for park purposes; to the Committee on the District of Columbia.

By Mr. KINDRED: A bill (H. R. 10349) to regulate the transmission in interstate commerce and through the mails of explosives of any description, or pistols, revolvers, or firearms of any description; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of West Virginia: A bill (H. R. 10350) to provide for the completing, leasing, and operating the Muscle Shoals nitrate and power plant, and for the construction of such other power or coal reduction plants as may be required to supply the Army and Navy with explosives, to manufacture fertilizers for agricultural purposes, and to distribute electric power and fuel within a reasonable transmission radius of such plants, also to incorporate the Federal Power & Fuel Corporation, and for other purposes; to the Committee on Military Affairs.

By Mr. VESTAL: A bill (H. R. 10351) providing for copyright registration of designs; to the Committee on Patents.

By Mr. WATSON: A bill (H. R. 10352) to extend the time for completing the construction of a bridge across the Delaware River; to the Committee on Interstate and Foreign Commerce.

By Mr. McDUFFIE: A bill (H. R. 10353) to amend section 200 of an act entitled "An act to consolidate, codify, revise, and reenact the laws affecting the establishment of the United States Veterans' Bureau and the administration of the war risk act, as amended, and the vocational rehabilitation act, as amended; to the Committee on World War Veterans' Legislation.

By Mr. LEA of California: A bill (H. R. 10354) placing first, second, and third class postmasters in the competitive classified service; to the Committee on the Civil Service.

By Mr. BRITTEN: A bill (H. R. 10355) amending the act of August 29, 1916, and repealing the third proviso of section 5 of the act approved June 4, 1920, for promoting efficiency in the line of the Navy; to the Committee on Naval Affairs.

By Mr. TAYLOR of West Virginia: A bill (H. R. 10356) granting the consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a highway and street railway bridge across the Ohio River, between the city of Huntington, W. Va., and a point opposite in the State of Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. REECE: A bill (H. R. 10357) to provide for the national defense, for the production and manufacture of fixed nitrogen, commercial fertilizer, and other useful products, and for other purposes; to the Committee on Military Affairs.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 10358) to establish an intelligent guidance of production, of marketing, of distributing, and of selling the basic commodities of American agriculture; to the Committee on Agriculture.

By Mr. NEWTON of Missouri: A bill (H. R. 10359) to release custodianized property; to the Committee on Interstate and Foreign Commerce.

By Mr. CABLE: Joint resolution (H. J. Res. 301) for the creation of a commission to prepare a constitutional amendment providing for the election and terms of President, Vice President, Senators, and Representatives; to the Committee on the Judiciary.

By Mr. WILLIAM E. HULL: Joint resolution (H. J. Res. 302) authorizing the Secretary of War to loan cots, bedding, and camp equipment, not including tentage, for the use of the Modern Woodmen of America Foresters at their national encampment, to be held at Milwaukee, Wis., in June, 1925; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK of New York: A bill (H. R. 10360) for the relief of William J. Finnerty; to the Committee on Claims.

Also, a bill (H. R. 10361) for the relief of the New York Canal & Great Lakes Corporation, owners of the steamer *Monroe* and barge 209; to the Committee on Claims.

By Mr. CLARKE of New York: A bill (H. R. 10362) granting permission to D. F. Wilber, a consul general of the United States of America, to accept a decoration from the Government of Italy; to the Committee on Foreign Affairs.

By Mr. COOPER of Wisconsin: A bill (H. R. 10363) granting an increase of pension to Katherine W. Hauns; to the Committee on Invalid Pensions.

By Mr. CRAMTON: A bill (H. R. 10364) granting a pension to Mary C. Simmons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10365) granting a pension to Anne Donnelly; to the Committee on Pensions.

Also, a bill (H. R. 10366) granting an increase of pension to Harriet Vosburg; to the Committee on Invalid Pensions.

By Mr. CRISP: A bill (H. R. 10367) for the relief of John W. and Jesse L. Kennedy; to the Committee on Claims.

By Mr. CUMMINGS: A bill (H. R. 10368) granting a pension to Amy Creveling; to the Committee on Pensions.

By Mr. FOSTER: A bill (H. R. 10369) granting an increase of pension to Elizabeth Stedman; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 10370) to authorize the Postmaster General to place on the retirement rolls of the Post Office Department, to receive the benefit of any laws heretofore enacted for the retirement of postal employees, the name of Warren C. Fahey, of Rowesville, Orangeburg County, S. C.; to the Committee on the Civil Service.

Also, a bill (H. R. 10371) to authorize the Postmaster General to place on the retirement rolls of the Post Office Department, to receive the benefit of any laws heretofore enacted for the retirement of postal employees, the name of Jeremiah W.

Wise, of Sandy Run, Calhoun County, S. C.; to the Committee on the Civil Service.

By Mr. HICKEY: A bill (H. R. 10372) granting an increase of pension to Mary E. Sherbondy; to the Committee on Invalid Pensions.

By Mr. HILL of Washington: A bill (H. R. 10373) to reimburse James Doherty; to the Committee on Claims.

By Mr. KEARNS: A bill (H. R. 10374) granting an increase of pension to Anne L. Fomorin; to the Committee on Invalid Pensions.

By Mr. KINDRED: A bill (H. R. 10375) to reimburse Henry Wolf, an inmate of the United States Veterans' Bureau Rehabilitation Center No. 2, Perry Point, Md., for losses sustained as a result of a fire in the barracks at that station on or about February 21, 1924; to the Committee on Claims.

By Mr. LEAVITT: A bill (H. R. 10376) for the relief of the heirs of Karl T. Larson, deceased; to the Committee on the Public Lands.

By Mr. LOZIER: A bill (H. R. 10377) granting a pension to Sarah E. McClaren; to the Committee on Invalid Pensions.

By Mr. McDUFFIE: A bill (H. R. 10378) for the relief of the owners of the tug *Bascobel*; to the Committee on Claims.

By Mr. McLAUGHLIN of Michigan: A bill (H. R. 10379) to provide for the retirement of Clarence W. Sessions, judge of the District Court for the Western District of Michigan; to the Committee on the Judiciary.

Also, a bill (H. R. 10380) granting an increase of pension to Lorinda R. Cooper; to the Committee on Invalid Pensions.

By Mr. MAGEE of New York: A bill (H. R. 10381) granting a pension to Mary E. Garrett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10382) granting a pension to Mary C. Risley; to the Committee on Invalid Pensions.

By Mr. MILLIGAN: A bill (H. R. 10383) granting a pension to Elizabeth A. Norman; to the Committee on Invalid Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 10384) for the relief of Mary Guth; to the Committee on Invalid Pensions.

By Mr. RAGON: A bill (H. R. 10385) for the relief of Margaret Richards; to the Committee on Claims.

By Mr. RATHBONE: A bill (H. R. 10386) to provide for the military status of the world flyers; to the Committee on Military Affairs.

By Mr. SANDERS of Indiana: A bill (H. R. 10387) granting a pension to George W. Wolf; to the Committee on Pensions.

By Mr. SEARS of Florida: A bill (H. R. 10388) granting a pension to Rose Key; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 10389) for the relief of John H. Moore; to the Committee on the Civil Service.

By Mr. STRONG of Pennsylvania: A bill (H. R. 10390) granting an increase of pension to Clara R. Wilson; to the Committee on Pensions.

By Mr. SWOOPE: A bill (H. R. 10391) granting an increase of pension to Amanda Jane Chesnutt; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 10392) granting an increase of pension to Jennie Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10393) granting an increase of pension to Hortense F. Thayer; to the Committee on Invalid Pensions.

By Mr. VAILE: A bill (H. R. 10394) granting a pension to Josephine M. Buck; to the Committee on Pensions.

By Mr. VINCENT of Michigan: A bill (H. R. 10395) granting a pension to Amy Azella Purdy; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 10396) granting an increase of pension to Frank Waters; to the Committee on Pensions.

By Mr. WHITE of Maine: A bill (H. R. 10397) granting a pension to Erwen C. Rose; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10398) granting a pension to Josephine E. Grant; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10399) granting a pension to Arria S. Sargent; to the Committee on Pensions.

By Mr. WILLIAMSON: A bill (H. R. 10400) for the relief of the Custer Electric Light, Heat & Power Co., of Custer, S. Dak.; to the Committee on Claims.

By Mr. ZIHLMAN: A bill (H. R. 10401) granting a pension to Mary A. E. Howard; to the Committee on Pensions.

Also, a bill (H. R. 10402) granting a pension to Thomas Kirk; to the Committee on Pensions.

Also, a bill (H. R. 10403) granting a pension to James H. Osburn; to the Committee on Pensions.

By Mr. RATHBONE: Joint resolution (H. J. Res. 303) authorizing the award of a medal of honor and \$10,000 to each of the world flyers; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3094. By Mr. CLAGUE: Petition of residents of Sherburn, Minn., opposed to Senate bill 3218; to the Committee on the District of Columbia.

3095. Also, petition of rural mail carriers, Brown County, Minn., in favor of postal wage bill now pending in the Senate; to the Committee on the Post Office and Post Roads.

3096. By Mr. CULLEN: Petition of Board of Aldermen of the City of New York, urging favorable action on postal salary bill (S. 1898); to the Committee on the Post Office and Post Roads.

3097. By Mr. GOLDSBOROUGH: Papers to accompany House bill 10304, granting a pension to Lucy R. Robertson; to the Committee on Invalid Pensions.

3098. By Mr. KIESS: Evidence in support of House bill 3881, granting an honorable discharge to George P. Bailey; to the Committee on Military Affairs.

3099. By Mr. KINDRED: Petition of Board of Aldermen of the City of New York, favoring increase in the salary of postal employees (S. 1898); to the Committee on the Post Office and Post Roads.

3100. By Mr. O'CONNELL of New York: Petition of the Board of Aldermen of the City of New York, favoring the postal salary increase bill (S. 1898); to the Committee on the Post Office and Post Roads.

3101. By Mr. ROUSE: Petition of 300 citizens of Kenton County, Ky., against the passage of a compulsory Sunday observance bill (S. 3218) or the passage of any other religious legislation; to the Committee on the Judiciary.

3102. By Mr. TEMPLE: Testimony in support of House bill 10324, special bill in behalf of Mrs. Laura Crawford, widow of Samuel R. Crawford, Company D, Twenty-second Pennsylvania Cavalry; to the Committee on Invalid Pensions.

3103. By Mr. WEAVER: Petition of Asheville (N. C.) Chamber of Commerce, relating to appropriations for the Bureau of Fisheries; to the Committee on the Merchant Marine and Fisheries.

HOUSE OF REPRESENTATIVES

SATURDAY, December 6, 1924

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, do Thou give us vision that we may arise to the high privileges of our daily tasks. Let each new day challenge us to nobler and better effort. Allow nothing to lessen the dignity and the value of our labors. May we understand that to give happiness and to do good are the chief anchors of the finest character. When perplexity arises, give us patience and help us to put aside all useless and hurtful things. Bless all institutions of our land that succor the unfortunate and that train the youth; and more and more may the dreams of freedom and fraternity be realized. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

CHRISTMAS RECESS

Mr. LONGWORTH. Mr. Speaker, I offer the following concurrent resolution.

The Clerk read as follows:

House Concurrent Resolution 32

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn Saturday, December 20, 1924, they stand adjourned until 12 o'clock meridian, Monday, December 29, 1924.

Mr. LONGWORTH. Mr. Speaker, a few days ago I offered some observations on the adjournment which seemed to be advisable, and, if there is no objection, I move the adoption of the resolution.

The resolution was agreed to.